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Algeria ..6.00 Din Iran ..115 Rials Oman ..1.000 Rials
Austria ..22 S. Israel ..NIS 3.00 Portugal ..160 Esc.
Bahrain ..0.800 Din Italy ..2,000 Lire Qatar ..8.00 Rials
Belgium ..50 B.Fr. Jordan ..850 Fils Rep. of Ireland..80 P.
Cyprus ..C.f 0.90 Kenya ..Shs 35 Saudi Arabia..7.00 R.
Denmark 11.00 D.Kr Kuwait ..500 Fils Spain ..150 Ptas.
Egypt ..E.P 3.250 Libya ..L.Din. 3.60 Sweden ..8.00 S.Kr.
Finland ..8.50 F.M. Luxembourg 50 L.Fr. Switzerland 2.50 S.Fr.
France ..7.50 F. Madeira ..165 Esc. Tunisia ..1.000 Din
Germany ..2.70 D.M. Morocco ..10.00 Dh. Turkey T.L. 3,200.00
Great Britain ..£0.85 Netherlands ..3.00 Fl. U.A.E. ..8.00 Dirh
Greece ..150 Dr Norway ..9.00 N.Kr. U.S. Mil. (Eur.) $0.85
Nigeria ..10.00 Naira Yugoslavia 29,000 D.

Arafat Rebuffs Likud

He Calls Israel's Vote Conditions A 'Deadly Blow'

By Youssef M. Ibrahim
New York Times Service

TUNIS — In the first official reaction by Yasser Arafat to new conditions by the Likud bloc in Israel for Palestinian voting in the occupied territories, he said the move, as far as the Palestinian leadership was concerned, had ended the election option.

Mr. Arafat, head of the Palestine Liberation Organization, placed much of the fault for this on the United States and its support of Israel.

He raised a possibility of ending a dialogue between the PLO and the United States, which, he said, has accomplished little of substance since it started six months ago.

Washington might convene international talks if Israel constricts Palestinian elections. Page 5.

Reflecting a view that appears widespread among PLO leaders gathered in Tunis, Mr. Arafat said, "The Likud decision means a deadly blow to elections, no matter what cosmetic fixes they try to put on it now."

Mr. Arafat, who had been silent since the meeting of the Likud bloc's Central Committee last week, strongly criticized the United States, saying it was "unconditional" Washington support that had encouraged the Likud to impose four new conditions for Palestinian elections.

This support, he said, included repeated use of the veto in the United Nations Security Council to shield Israel from resolutions criticizing its behavior toward Palestinians.

Under the the Likud bloc's four conditions, elections in the West Bank and Gaza Strip could not be part of a move for an independent Palestinian state; they could not mean surrender of any part of the Israeli-occupied territories; they

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Dave Caulkin/The Associated Press — Agence France-Presse

BECKER AND GRAF CONQUER WIMBLEDON — Boris Becker of West Germany volleying Sunday as he dethroned Stefan Edberg, the defending Wimbledon champion, 6-0, 7-6, 6-4. Steffi Graf, another West German, successfully defended her title, beating Martina Navratilova, 6-2, 6-7, 6-1. Page 15.

Bush in Warsaw Sees Brighter Polish Future

The Associated Press

WARSAW — President George Bush, on delicate and momentous visits to Poland and Hungary, told the Polish people on Sunday that the world was inspired by their struggle but cautioned that it "will require further sacrifices."

"History — which has so often conspired with geography to deny the Polish people their freedom — now offers up a new and brighter future for Poland," Mr. Bush said upon arrival in Warsaw after a nine-hour flight from Washington.

Mr. Bush was greeted by the Polish leader, General Wojciech Jaruzelski, and Prime Minister Mieczyslaw Rakowski.

Also present was Andrzej Wielowieyski, deputy speaker of Poland's new, freely elected Senate and an adviser to the Solidarity leader, Lech Walesa. It was the first time a Solidarity representative in such an official state welcome.

Mr. Bush said that "winds of change surely have touched the land here where so much has happened since my last visit," two years ago as vice president.

"Poland has started a long and ascending path of democratic change," he said. "This climb is accelerating but will not always be easy and will require further sacrifices. But if followed, it will lead to a renaissance for this remarkable nation."

"These are great days for Poland," Mr. Bush continued. "Solidarity is again legal. The beginnings of a free press now exist. A new parliament is in place. The Polish senate has been restored through free and fair elections. Poland is making its own history. And America, and the world, is watching."

"The world is inspired by what is happening here," he said.

■ Expectations High

Henry Kamm of The New York Times reported from Warsaw:

Mr. Bush's visit is arousing high expectations of economic aid in Poland and Hungary, countries whose political situations will make it difficult to rescue them from material woes.

The leaders with whom Mr. Bush will discuss the state of Poland and Hungary cannot be sure of their present powers, much less what if any power they may wield in the months to come.

The Polish general elections in June produced the anomaly of a landslide for Solidarity, which has led to earnest efforts by the opposition to preserve the Communist Party's monopoly of power and thereby insure some stability.

In Hungary, the Communist Party is in such disarray over what course to follow that its leadership dethroned its general secretary, Karoly Grosz, in June not by the traditional Communist method of removing him from office and consigning him to official oblivion, but by surrounding him with three other leaders and elevating one, Rezso Nyers, to the new, supposedly first-among-equals, position of party president.

General Jaruzelski greeted Mr. Bush in his capacity as president of the nine-member State Council, a ceremonial post whose duties consist largely of greeting visiting heads of state and receiving their ambassadors' credentials.

The general is also first secretary of the Communist Party and supreme armed forces commander.

In Budapest, Mr. Bush will be greeted by his official host, President Bruno F. Straub, who performs only symbolic functions. He will meet Prime Minister Miklos Nemeth, the head of government and a contender for top power as one of the four members of the collegiate party leadership.

■ Orchestrated Schedule

Maureen Dowd of The New York Times reported earlier from Washington:

Mr. Bush's schedule has been delicately orchestrated to allow him to give a stirring lift to democracy in Eastern Europe without appearing overbearing or intrusive to his Communist hosts.

Every aspect of Mr. Bush's four days in Warsaw, Gdansk and Budapest, preceding his participation in the economic summit conference in Paris, has been calibrated to

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Mandela-Botha Meeting Gets Cautious Welcome

By William Claiborne
Washington Post Service

JOHANNESBURG — Anti-apartheid leaders welcomed on Sunday a meeting between the South African president, Pieter W. Botha, and the imprisoned African National Congress leader, Nelson Mandela. But they said that nothing short of Mr. Mandela's release could open the way to negotiations to end the racial struggle in the country.

South African officials disclosed Saturday that Mr. Mandela met secretly with President Botha for 45 minutes on on Wednesday. This increased speculation that the government might be preparing to release Mr. Mandela in an effort to open power-sharing negotiations with the country's black majority.

Justice Minister H. J. Coetsee, who was present, described the first known meeting of the two men, held in Mr. Botha's Cape Town office, as a "courtesy visit." He said nor policy matters or questions of "further steps or meetings" were discussed.

State-run television quoted Foreign Minister R. F. Botha as saying the meeting had "positive implications which would benefit all people in South Africa."

Mr. Mandela, who will be 71 on July 18, has been in prison since 1962 on conviction of sabotage and attempting to overthrow the government. Last year, after recovering from tuberculosis, he was moved from the Cape Town Pollsmore Prison to a house on the grounds of the Victor Verster Prison in nearby Paarl.

Militant black nationalists ideologically aligned with the outlawed ANC cautioned that the Botha-Mandela meeting did not by itself constitute a major event in the dismantlement of apartheid.

The Reverend Frank Chikane, secretary general of the South African Council of Churches, said that Mr. Botha and Mr. Coetsee "remain his jailers. They just happen to be the most senior."

Mr. Chikane, saying that he was

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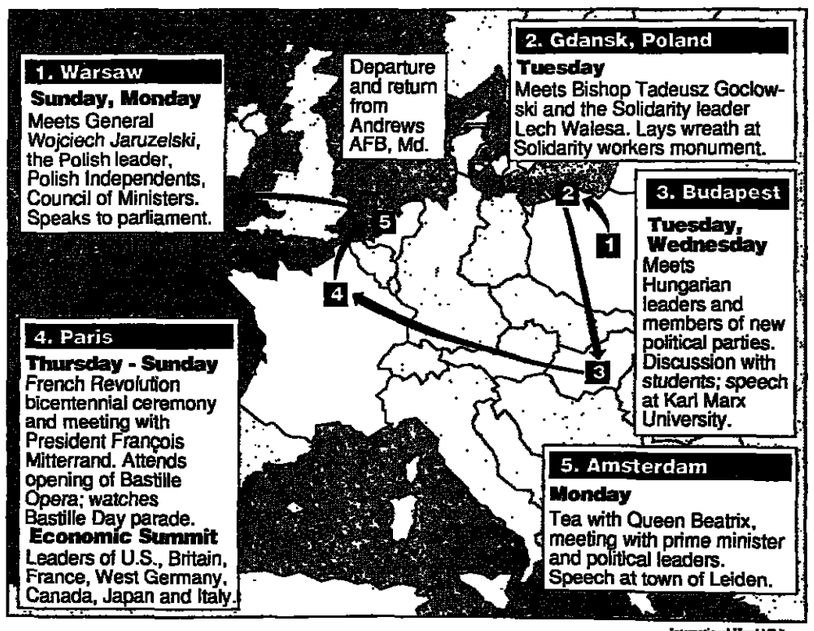

International Herald Tribune

Kiosk

Sudan Under New Regime

CAIRO (AFP) — A new Sudanese government was formed Sunday headed by General Omar Hassan Ahmed Beshir, leader of the military junta that seized power on June 30, the news agency MENA reported.

MONDAY Q&A

AP

Jesse L. Jackson, the U.S. civil rights leader and former presidential candidate, discusses drugs, education and flag-burning. Page 2.

General News
A feared Soviet "satellite killer" laser does not impress team of U.S. experts. Page 2.

Personal Investing
Betting on the poor performance of gold is good strategy for bears. Page 11.

Business/Finance
Mexico and banks reached a tentative pact to ease the country's debt burden. Page 7.

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French Bicentennial: Rich Ideas or Poor Taste?

By Edward Cody
Washington Post Service

PARIS — With thousands of steel barriers and an embarrassing political dispute, Paris has girded its streets and residents for an extraordinary week of pomp and ceremony to mark the July 14 bicentennial of the French Revolution alongside a meeting of the world's seven richest democracies.

The combination was designed by President François Mitterrand's government to bestow extra glitter on the annual economic meeting, which France hosts this year in a regular rotation, and to enhance already elaborate bicentennial celebrations by involving President George Bush and the summit meeting's five other visiting leaders in addition to the heads of 23 smaller nations invited to attend.

Planners led by Jacques Attali, the president's special adviser, have announced an eye-popping program of circumstance and carnival beginning Thursday and running through the end of the summit meeting on Sunday. But along with the expected oohs and aahs has come a political outcry attacking the Socialist president from left and right.

On the right, Mr. Mitterrand's opponents have accused him of megalomania, saying he is pretending to reign in monarchical splendor over a France at the center of the world. They also have attacked the cost of the celebrations and complained that massive security arrangements will shut Parisians out of their city to make way for bullet-proof convoys driving dignitaries like Mr. Bush.

"One can wonder whether the president of the republic has not somewhat lost his sense of proportion," said Alain Juppé, secretary general of the main conservative opposition party, the Rally for the Republic.

On the left, Mr. Mitterrand's foes — and some of his friends — have accused him of betraying the meaning of the revolution and his party by staging a rich man's festival that neglects the kind of people who stormed the Bastille on July 14, 1789. Renaud, a balladeer who has backed Mr. Mitterrand in the past, helped organize a counter-bicentennial demonstration Saturday that ended with a free concert at the Place de la Bastille.

Nonpolitical Parisians have also joined the criticism of Mr. Mitterrand's grand plans. For Marcial Lelaye, a barber who works a short walk from Elysée Palace, government officials were out of step with reality when they hailed parking restrictions and no-driving security zones as a way to "turn the streets of Paris over to the people."

"Who do they think drives all those cars, if it is not the people?" he asked.

In a poll taken for the Roman Catholic

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A Pain San Diego Can Locate

Encroaching Los Angeles Spawns 'L.A.-lien' Fever

By Robert Reinhold
New York Times Service

SAN DIEGO — Fear and loathing lurk beneath the surface of placid San Diego, with its near-perfect weather, its skiffs bobbing in Mission Bay and its profuse gardens of oleander and jasmine.

The fear is of being consumed as if by cancer by its relentlessly hip neighbor to the north, Los Angeles.

The loathing is for a city overrun with the degradations of the West Coast: smog, gang warfare, traffic jams, tacky strip shopping centers and beautiful people wearing neon-green rubber sunglasses and vinyl clothing.

So the alarms sounded when a recent Los Angeles Times poll found that nearly half the residents of Los Angeles County had considered moving away and that a goodly number cited San Diego as the best destination.

Karla Peterson of The San Diego Union urged fellow San Diegans to preserve the inalienable San Diego rights of "justice, liberty and free parking spaces for all," with border checkpoints to search southbound automobiles for telltale signs of "L.A.-lien activity."

"These would include 12-packs of Evian water in the trunk," she wrote, "cellular phones with answering machines and speed dialing; glove compartment gelato makers; self-hypnosis tapes, and passengers or drivers concealing membership cards to the Sports Connection."

The guards would grill detainees with such questions as "What is the difference between a screenplay, a treatment and a novelization?"

Behind the jest lies a deadly serious issue.

From Vancouver to San Diego, "Los Angelization" has become a buzzword to sum up the worst of urban nightmares, runaway growth.

For its bogeyman, Los Angeles must look 3,000 miles (5,000 kilometers) east. A leading slow-growth group in Los Angeles calls itself N.Y.N.Y., for Not Yet New York. Everything is relative.

Probably nowhere does Los Angeles stir deeper feelings than in San Diego, its nearest big-city neighbor and California's second-largest city, with 1.1 million people. The "smokestacks versus gerani-

See ALARM, Page 5

1789 Revolution Lives On in Its Lexicon

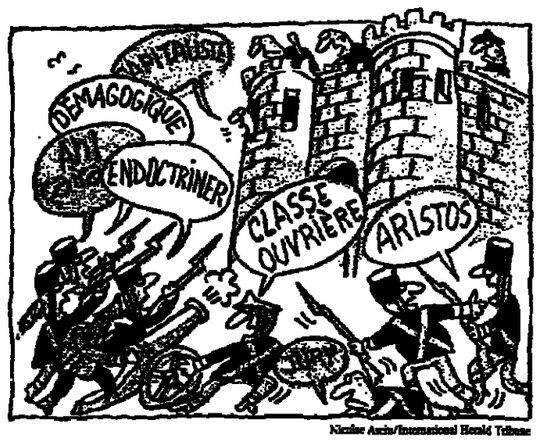
By Mary Blume
International Herald Tribune

PARIS — Despite the debate about the legacy of the French Revolution, there can be no doubt that 1789 and the years that followed bequeathed to France a lot of what it likes best: words.

According to Jacques Cellard, nearly 2,000 words came into the language during the revolutionary period, of which 500 are still in use. Samples he cites include *capitaliste, class ouvrière, endoctriner* and *démagogique.*

Mr. Cellard, author of a study of the subjunctive and of a two-volume work on Greek and Latin roots in French, has made a lexicon (published in Paris by Balland) of words from the Revolution called "Ah! ça ira, ça ira," after one of the three durable Revolutionary songs.

The other two songs are the "Marseillaise" and the "Carmagnole" and the three, Mr. Cellard points out, have greatly different origins and themes. While the "Carmagnole" is aimed at the detested past and the "Marseillaise" to the glorious present, "Ça ira," he says, is dedicated to a fraternal future.



Nicolas Asch/International Herald Tribune

Fraternal, with the notorious refrain about hanging the aristocrats (*"les aristos à la lanterne, les aristos on les pendra"*)? Yes, says Cellard, pointing out that these lines are later additions and that the abbreviation *aristos* did not enter the French language until 1830-40. The original "Ça ira" was indeed a hymn of hope; its only immortal and bloodthirsty couplet probably dates from the Commune.

The word *aristocrate,* unabbreviated, is one of the words that changed its meaning during the Revolution. Earlier, it had referred to the contemporary equivalent of the best and the brightest: what we call the aristocracy today was the nobility or *noblesse.* At the end of 1789 the word *aristocrate* began to apply to those who were indifferent to or who opposed new ideas, such as the "aristocracy of the rich" or the "aristocracy of the middle classes."

The pejorative meaning deepened as the Revolution gained force: "Each person applies it to people he does not like," said a 1790 dictionary. *Aristocrate* died out toward the end of the Revolution, was revived by Stendhal and Balzac, and became current from 1920, along with the adjective aristocratic.

Mr. Cellard's research is based on the portable dictionaries of new words that proliferated during the Revolution, most of them polemical, counterrevolutionary and even outspokenly royalist. Many words, particularly those concerning new

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Uno's Party Stumbles Anew on Feminism

By Paul Blustein
Washington Post Service

TOKYO — The ruling Liberal Democratic Party has been plunged into yet another controversy over the assertion by a cabinet member that "women are useless in the world of politics."

The cabinet member, Hisao Horinouchi, minister of agriculture, forestry and fisheries, reportedly made several remarks deemed offensive to women at a political gathering on Friday, including the statement that a woman's primary task is to "keep the household."

Mr. Horinouchi then got himself into deeper hot water at a news conference on Saturday when he said that Takako Doi, the woman who heads the Japan Socialist Party, was *unfit* for political leadership because, unlike Prime Minister Margaret Thatcher, Ms. Doi is unmarried and childless.

Mr. Horinouchi later called a second news conference to retract all of his previous statements, saying, "I

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Jackson Discusses Drugs, Education and His Political Plans

The Reverend Jesse L. Jackson, the U.S. civil rights leader and former contender for the presidency, met with President François Mitterrand of France last week before traveling to Cairo for a meeting with President Hosni Mubarak. He discussed his political preoccupations with Barry James of the International Herald Tribune.

Q. What did you learn from your talks with Mr. Mitterrand?

A. I'm studying the prospects for the pan-European market after 1992. I was impressed with his focus on establishing a floor for all workers beneath which no one should fall — his concern for creating minimal health standards across the board and a livable wage and a basic education. In other words, the foundation of a building must correspond with its height. His views have broad social applications for America because we have an unlimited top in terms of profits, but we have 14 million people on minimum wage, 40 million people without health insurance, five to seven million homeless and educational crises that threaten to undermine our ability to compete.

Q. What do you mean by education crises?

A. It is not unusual in urban America to have a 40-50 percent dropout rate from the first grade to the 12th grade. So you have a growing number of young people who are functionally illiterate. In the long run, ignorance costs more than education. A state university in America costs less than $40,000 over four years. It costs $160,000 to keep a person in jail for four years. In Washington this year, about 3,000 seniors graduated from high school but there are about 12,000 people from Washington in jail. Yet the president is calling for more jails, not more schools.

Q. Drugs, of course, are a big factor in all of this?

A. They may be the greatest factor — a combination of drugs and lost hopes. We have 6 percent of the world's population consuming half the world's drugs. A combination of the drug flow and the amount of money in it — the brain damage that comes from using the drugs and the value system of those who are selling drugs — has made life quite dangerous.

Q. What do you suggest ought to be done?

A. We must adopt a zero tolerance level for drugs. We must fight drugs at the source — we know where they are from. We must meet with those heads of state and hear their point of view. They need military aid, because often the drug lords' private armies are bigger than their standing armies. They need economic development and debt reduction, the same thing we did for Europe. And they need alternative crops. For some countries, drugs are the No. 1 cash crop. And we need stronger border controls. Our borders are virtually open to drug lords.

We need education for our youth in their formative years. We need to rehabilitate the sick — there's a whole generation of people who are on drugs who want to get well, but the waiting line is eight or nine months to get treatment. To fight a war against drugs we need to cut the supply of drugs and the demand for drugs. At this point we do not have a budget nor a comprehensive plan to fight a full-scale war on drugs.

Q. Drugs have become a major cash crop in the United States as well?

A. Yes. There are four states where drugs have become the No. 1 cash crop. But 800,000 family farmers have been driven from their land in exchange for the free market excesses of about four agro-businesses.

Q. What kind of effects do you think the Supreme Court ruling on abortion will have?

A. It's going to be divisive politically. It's going to be disastrous economically. It's going to have very negative health consequences for many middle class and poor people. The essence of freedom is choice, and right now the Supreme Court is denying that.

There ought to be much greater focus on sex education, on sex discipline, on prenatal care and teaching values about the dangers of sex without love which makes unhealthy and unwanted babies. It is my position that people must live with the moral, emotional and physical consequences of their choice — but the essence of freedom is choice.

Q. What is your view about the current flag-burning controversy?

A. Most Americans find burning the flag repugnant. But there are certain elements that have been burning crosses longer than people have been burning flags. They are dangerous. But there has never been a rush to have an amendment to stop the burning of crosses.

Q. Do you expect to be on the ticket in the next presidential election?

A. If I run, I expect to head the ticket. My positions have been proved to be right — on increased pressure on South Africa, on more effective relations with the Soviets and on mutually verifiable reduction of nuclear weapons, of talking to all parties in the Middle East toward coexistence and not co-annihilation, on debt reduction for the Third World. These positions are sound — we've turned the mainstream, which was very narrow, into a broad river.

MONDAY Q&A

Soviets Plan to Shut Reactors

Disclosure Made as Americans Tour a Plutonium Plant

By R. Jeffrey Smith
Washington Post Service

KYSHTYM INDUSTRIAL COMPLEX, U.S.S.R. — The Soviet government has decided to shut down all five nuclear reactors producing plutonium for nuclear weapons at this top-secret military center in the Ural Mountains, idling two more reactors than originally announced by President Mikhail S. Gorbachev three months ago in London.

The decision was made public by Boris V. Brokhovich, the center's director, during the first visit by a group of U.S. members of Congress and independent scientists to this huge city with no official name.

He said in an interview Saturday that two of the site's reactors were shut now, that a third would be closed next month, and that the remaining two would cease operating in 1991, a move that others said would in effect end the military's 45-year domination of the complex.

A senior Soviet atomic energy official, Yevgeni I. Mikerin, said plutonium factories at other sites might also be closed if the United States and the Soviet Union concluded a new treaty limiting strategic nuclear arms. Such an action by the Soviets would not, by itself, interfere with the production of new weapons.

The Kyshtym complex of 100,000 people, not listed on any Soviet map, lies about 1,400 kilometers (850 miles) east of Moscow in a region of plentiful lakes, several of which have been contaminated by radioactive waste.

The tidy city with its tree-lined streets has been off-limits to foreigners since it arose in 1946 as the principal factory for ingredients of nuclear weapons.

It is widely considered the Soviet military's counterpart to Hanford, Washington, where as many as nine reactors turned out plutonium for U.S. weapons from 1943 to 1987, when environmental pressures and technical problems halted all U.S. production of the substance. Since then, the United States has been recycling plutonium from old bombs into new weapons, a procedure also available to the Soviets.

Weapons-grade plutonium is a long-lived material, giving both Washington and Moscow a plentiful supply for recycling. As a result, even a total cutoff of production will have no immediate effect beyond eventually constraining the growth of the nuclear arsenals.

But some advocates of arms control also say that a total halt to production of plutonium and highly enriched uranium, another key bomb ingredient, would pave the way for an agreement to destroy the stockpiles of those materials.

Alexei E. Spirin, director of the "A" reactor completed in 1948, said that in the pressure to match U.S. weapons development, four of the water-cooled, graphite reactors were expanded to roughly five times their intended capacities, much in the manner of U.S. weapons reactors at the Savannah River plant near Aiken, South Carolina, that eventually developed serious cracks. The 1986 Soviet nuclear accident at Chernobyl involved a graphite reactor of this type.

Mr. Spirin said no injuries had resulted from several accidents involving the "A" reactor.

"Several times we had some difficulty in unloading the reactor and pulling the fuel elements out," he said. The American scientists said the circumstance he described probably released extra radiation inside the reactor building and into nearby Lake Kyzyltash, the source of the cooling water.

Mr. Spirin also said some fuel elements had been crushed or nearly melted when power was increased. He said each reactor building contained enough radiation to require that it be dismantled over a 30-year period, by the end of which the entire reactors will be covered in concrete and buried.

Mr. Brokhovich said during the reactor tour that some workers were initially exposed to 25 roentgens a year, well above current international health standards.

While touring the "A" reactor, Mr. Brokhovich turned suddenly to two reporters and said, "You put the Rosenbergs in the electric chair for nothing."

Speaking with the intensity of someone who had waited a long time to encounter his first American and deliver this message, Mr. Brokhovich added: "We got nothing from the Rosenbergs. If we had, we would not have made so many mistakes. We did everything on our own and gave each other only disinformation."

In 1951, Julius and Ethel Rosenberg were convicted of conspiring to spy for the Soviet Union. The U.S. government had charged that they passed secret atomic bomb information to the Soviets during World War II. In 1953, they became the first American civilians to be put to death for wartime spying.

■ Fewer Tests

Michael R. Gordon of The New York Times reported from Washington:

The Soviet Union has scaled back its nuclear testing program, possibly to ease concerns of Soviet citizens that the blasts are contaminating the environment, Bush administration officials say.

Moscow has conducted three underground nuclear tests this year, about half the number conducted in a similar period last year.

The cutback follows protests from a Soviet environmental group in Kazakhstan about the release of radiation at the Semipalatinsk test site in that region.

The Associated Press

Representative Bob Carr, Democrat of Michigan, right, during a tour of a top-secret Soviet nuclear reactor site in the Urals.

East Bloc Predicts Cut In Forces Next Year

By Craig R. Whitney
New York Times Service

BUCHAREST — President Mikhail S. Gorbachev and his Warsaw Pact allies agreed here over the weekend that NATO had met them halfway with its proposals for reducing conventional arms in Europe, and they said the first agreements could be reached as early as next year.

At a North Atlantic Treaty Organization summit meeting in Brussels in May, President George Bush said the Western proposals, including reductions in the number of Soviet and U.S. troops in Europe to 275,000 a side, could produce a conventional arms accord by 1992 or 1993.

A communiqué and a statement on stability in Europe issued at the end of the two-day Warsaw Pact meeting in Bucharest did not refer specifically to Mr. Bush, but included these words:

"The additional proposals for conventional arms in Europe made at the latest NATO summit come a way toward the positions of the allied socialist countries."

"The opinion was expressed," the statement on Europe said, "that with a constructive approach by all participants, the first agreements could be reached as soon as 1990."

It also called for the eventual elimination of all nuclear weapons, and "a Europe of lasting peace, good-neighborly relations and cooperation."

Western diplomats described the statement that agreements could be reached in 1990 as optimistic.

Mr. Gorbachev, who arrived in Romania from France on Thursday, left Saturday for Moscow with general approval from his allies for the idea of reducing confrontation between the East and West wings of what he has referred to as the "common European home."

The Communist alliance adopted Mr. Gorbachev's pledge, in Paris, of nonninterference on ideological grounds in the affairs of other Communist countries.

But as the concluding documents and briefings by East European diplomats made clear, he did not achieve agreement on an ideological line for the East European countries, which have begun to diverge widely.

Poland and Hungary are loosening up, moving toward multiparty political systems, and the Soviet Union is trying to introduce elements of the market into its centrally planned economy.

But Romania, Czechoslovakia and East Germany are sticking with the old ways, enforcing them with strict discipline.

The communiqué seemed to suggest that *perestroika*, Mr. Gorbachev's domestic restructuring program, may be right for Moscow but not for everybody else, and that Hungary and Poland can feel free to go their own way without fear of criticism from outside.

"There are no universal models of socialism; nobody is the holder of truth," it said. "Relations should develop on the basis of equality, independence and each one's right to make its own political line, strategy and tactics, without any outside interference."

In a reference apparently aimed at Western criticism of communist social systems, the accompanying statement on reducing arms in Europe said, "No country may dictate the course of events inside another, and none should assume the role of a judge or referee."

During the Warsaw Pact meeting, the Romanian leader, Nicolae Ceausescu, met representatives of the delegation from Hungary.

The Romanian official press recently accused Budapest of fomenting anti-Romanian feelings among Romania's 1.8 million citizens of Hungarian origin.

With Hungary more than Poland in mind, Mr. Ceausescu has openly criticized the idea of returning to a multiparty system as "very dangerous."

Feared Soviet 'Satellite Killer' Laser Does Not Impress Experts From U.S.

Washington Post Service

SARYSHAGAN, U.S.S.R. — A Soviet laser facility said by the U.S. military to be capable of damaging space satellites is probably too weak to do so, a group of American scientists and members of Congress said after examining it on Saturday.

The laser is housed here in a large white building on the steppes of Kazakhstan, an area that also serves as the test range for Soviet research on defense systems against ballistic missiles.

The size of the building, as indicated by satellite photographs, had caused suspicion and concern about the possible power of the laser inside. It all added to the drama of the Americans' five-hour visit.

During the Reagan administration, several sketches of the laser building, drawn from U.S. satellite photos, were featured in a Defense Department publication, "Soviet Military Power."

The sketches were used to underline Pentagon reports that the Soviet Union was pursuing missile defense research, much like that being conducted under the U.S. Strategic Defense Initiative.

In 1985, the Pentagon said the building was estimated to include "a laser that may be capable of damaging some components of satellites in orbit."

The Pentagon added that it might also be used for missile-defense purposes.

By 1987, the Pentagon language was changed to predict potential laser damage only to "sensitive components" of satellites. But in 1988, the Pentagon again said the Soviets had a ground-based laser "with some capability to attack U.S. satellites."

A Princeton University physicist, Frank von Hippel, said after inspecting the laser's transmitter, receiver, transformer and beam director: "It looks like a tool that's been left out to dry for 25 years. It's got 19 countertop-sized ruby lasers, a welding-sized laser, 1960s vintage computers and a couple of one-meter mirrors in an air-conditioned building."

The physicist added, "A two-year college in the United States could produce the same in one of its laboratories."

Representative James R. Olin, Democrat of Virginia, a former vice president of General Electric Co. who studied engineering, said he had concluded that "it's not the killer weapon people said it was."

But Mr. Olin added that he agreed with an assessment by Representative John McK. Spratt Jr., Democrat of South Carolina, that the laser "could be ancillary to an anti-satellite weapons system."

— R. JEFFREY SMITH

MANDELA: *Botha Meeting Gets Cautious Welcome*

(Continued from Page 1)

speaking for Mr. Mandela's family and a number of black community leaders, said that for the government to suggest that Mr. Mandela could engage in any kind of normal dialogue at this time was "nothing short of political mischief."

"Only free men can negotiate," he added in a statement issued in front of the Soweto home of Mr. Mandela's wife, Winnie.

Mrs. Mandela, who earlier this year was censured by many anti-apartheid leaders for alleged excesses of her personal bodyguards, remained silent through most of the news conference.

Archbishop Desmond M. Tutu of the Anglican Church said that even Mr. Mandela's release at this time, without being linked to legalization of the ANC and the opening of negotiations for a new constitution, would have little meaning.

"I doubt that he would want to be released all on his own account," the archbishop said to reporters in Cape Town.

The moderate Zulu chief, Mangosuthu Buthelezi, who the government regards as an essential participant in any power-sharing negotiations, called the meeting "epoch-making," and added:

"Mr. Botha will go down in history as the man who started great things that I hope will end up in the fundamental changes that all of us are yearning for in our troubled land."

Helen Suzman, veteran Progressive Federal Party member of Parliament, said, "I hope this is the first step toward the release of Mandela. I can't believe P. W. Botha would not have been impressed with Mandela's moderation and the understanding he has of the fears of the white minority."

Wynand Malan, co-leader of the newly-formed Democratic Party, which absorbed the Suzman party, said he regarded it as significant that Mr. Mandela and Mr. Botha, according to Mr. Coetsee, had called for a commitment to peace, "thus neatly stepping around the many preconditions which both sides have so far put forward before negotiations can start."

He was referring to President Botha's longstanding demand that Mr. Mandela and the ANC formally renounce violence, which the president subsequently modified, insisting now only on a commitment by all potential negotiators to "contribute to a peaceful settlement of South Africa's future."

Albania's Population Rises

Agence France-Presse

BELGRADE — Albania has a population of 3,182,417, according to 1989 census results, the Albanian news agency ATA, monitored here, said Sunday.

U.K. Politician Sees Joint Plan On Hong Kong

Reuters

LONDON — A senior member of Parliament suggested Sunday that Western nations could jointly offer residence rights to citizens of Hong Kong if China broke an agreement on the colony's future. Hong Kong is to revert to Chinese rule in 1997, with Beijing committed to preserving its capitalist system for at least 50 years.

The politician, David Howell, chairman of the foreign affairs committee of the House of Commons, suggested the European Community, the United States, Canada, Australia, Singapore and New Zealand as possible resettlement locations for Hong Kong residents.

The colony has about 5.6 million people, and about 3.2 million of them qualify for Hong Kong-British passports.

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WORLD BRIEFS

East Berlin Quiet on Ailing Honecker

BERLIN (AP) — More than 24 hours after reporting that the East German Communist Party leader, Erich Honecker, had been hospitalized for a gallbladder ailment, the country's press and broadcast services remained silent Sunday on the 76-year-old leader's condition.

Mr. Honecker was forced to return home Saturday from a Warsaw Pact summit meeting in Romania.

He became party leader in 1971 and assumed the additional post of head of state in 1976. During recent public appearances he seemed to be alert and in robust health. But West German papers have reported that he appeared to lose concentration and had speech problems during meetings with West German officials.

Andreotti Is Asked to Form Coalition

ROME (AP) — President Francesco Cossiga gave Foreign Minister Giulio Andreotti a mandate on Sunday to create Italy's 49th postwar government. It appeared Mr. Andreotti would easily form a coalition.

Italy has been without a government since May 19, when Prime Minister Ciriaco De Mita resigned after criticism of his leadership from the No. 2 party in the governing coalition, the Socialists.

Mr. Andreotti said he would immediately begin trying to form a government. But he said his task might be delayed by preparations for the annual meeting of the seven major industrialized nations, to be held in Paris this week. Mr. Andreotti, like Mr. De Mita, belongs to the Christian Democrats, who have dominated Italian politics since World War II.

Papandreou Singled Out for Inquiry

ATHENS (Reuters) — The new coalition government has singled out the former Socialist prime minister, Andreas Papandreou, as the primary target of its investigations into multimillion-dollar financial scandals.

The coalition of conservatives and Communists won its first parliamentary vote of confidence on Sunday, 174 to 124, clearing the way for criminal proceedings. In three days of pre-vote debate, the coalition named Mr. Papandreou and four of his most senior ministers as targets of the investigations.

Syria Said to Seize Lebanese Yacht

BEIRUT (UPI) — A Syrian naval force blockading Christian ports intercepted and seized a Lebanese yacht on Sunday and detained six civilians aboard, military sources here reported.

The sources, in East Beirut, which is largely Christian, said the Lebanese vessel was taken to the Syrian military port of Tartus, on Syria's northern Mediterranean coast.

18 Injured in Japanese Earthquakes

TOKYO (Reuters) — Eighteen people were injured on Sunday in the latest of a series of earthquakes on the Izu Peninsula, southwest of Tokyo, since the end of June. The police said most of the 18 were cut or bruised by dislodged furniture in two strong quakes just before noon.

The quakes caused more than 10 landslides and a blackout affecting thousands of homes in Ito, about 100 kilometers (60 miles) southwest of Tokyo, they added.

The Meteorological Agency said the quakes measured 5.5 on the open-ended Richter scale, and added that 19,485 quakes had been recorded since June 30. Kyodo News Service quoted a seismological expert as saying the tremors would continue for another two weeks.

Soviets Reveal Extent of '82 Disaster

MOSCOW (AP) — Policemen trying to cram thousands of soccer fans into a section of Lenin Stadium in Moscow in 1982 created a "human mincer" that killed as many as 340 people, an official newspaper said Sunday in disclosing details of the world's worst soccer disaster.

Sovietsky Sport, the newspaper of the Soviet Sports Committee, accused authorities of covering up the disaster and said it was disclosing the tragedy "so as not to forget people who loved sports until the grave."

The incident on Oct. 20, 1982, was previously reported, but a death toll and other details were never made public in the Soviet Union. Sovietsky Sport said the parents of fans who failed to return home after the match received no information from the police and had to search hospital morgues themselves. The bodies were not released for burial for 13 days, the newspaper said.

Iran Names 2 for Presidential Race

DUBAI (Reuters) — Iran named two candidates on Sunday for the presidential elections on July 28, but Western and Iranian analysts felt certain that the choice of a second candidate posed no challenge to the front-runner, Hashemi Rafsanjani, who is speaker of parliament.

The Iranian press agency IRNA said the Council of Guardians had selected Mr. Rafsanjani and a former minister, Abbas Sheibani, from more than 80 people seeking the nomination. The council is made up of Islamic law experts to oversee elections and legislation.

"There is no serious challenger," one Iranian said. A Western diplomat said: "The only thing is how many millions they can get to vote to give Rafsanjani a strong political hand. Sheibani simply looks like a name to fill out the ballot sheet."

TRAVEL UPDATE

Italian Beaches Awash in Thick Foam

RIMINI, Italy (Reuters) — Huge stretches of thick, yellowish foam washed up on the Adriatic coast of Italy on Sunday, keeping thousands of would-be swimmers sweltering on resort beaches.

The algae-based foam, swept coastward by tidal flow in hot, windless weather, appeared for the first time last year. Tourism officials have advised vacationers to stay out of the water until tests determine whether there are health risks to swimmers.

Eighty people have been injured at the Pamplona bull runs, where Spaniards celebrate the country's wildest fiesta by drinking large amounts of wine and racing bulls through the streets, hospitals said Sunday. *(Reuters)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Bahamas, Mauritania.
TUESDAY: Belgium, Mongolia.
THURSDAY: Cyprus, Indonesia, Malaysia, Singapore, Sri Lanka.
FRIDAY: France, Iraq, Nigeria, Saudi Arabia.
SATURDAY: Brunei, Malta, Saudi Arabia.
SUNDAY: Saudi Arabia, Bolivia.

Source: Morgan Guaranty Trust Co., Reuters.

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	25	77	15	59	fr
Amsterdam	19	66	12	54	fr
Athens	32	90	22	72	fr
Barcelona	28	82	20	68	fr
Belgrade	27	81	16	61	fr
Berlin	23	73	13	55	fr
Brussels	20	68	12	54	fr
Budapest	26	79	15	59	fr
Copenhagen	17	63	11	52	fr
Costa Del Sol	28	82	20	68	fr
Dublin	17	63	11	52	fr
Edinburgh	17	63	10	50	fr
Florence	29	84	17	63	fr
Frankfurt	23	73	13	55	fr
Geneva	25	77	15	59	fr
Helsinki	19	66	11	52	fr
Las Palmas	25	77	19	66	fr
Lisbon	25	77	15	59	fr
London	20	68	12	54	fr
Luxembourg	21	70	11	52	fr
Madrid	31	88	17	63	fr
Milan	29	84	17	63	fr
Moscow	23	73	13	55	fr
Munich	23	73	12	54	fr
Nice	26	79	18	64	fr
Oslo	20	68	10	50	fr
Paris	23	73	12	54	fr
Prague	24	75	13	55	fr
Reykjavik	13	55	7	45	fr
Rome	29	84	19	66	fr
Stockholm	21	70	12	54	fr
Strasbourg	25	77	13	55	fr
Venice	28	82	19	66	fr
Vienna	25	77	14	57	fr
Warsaw	24	75	13	55	fr
Zurich	23	73	13	55	fr
MIDDLE EAST					
Ankara	28	82	21	70	fr
Cairo	34	93	22	72	fr
Istanbul	31	88	21	70	fr
Jerusalem	32	90	18	64	fr
Tel Aviv	31	88	19	66	fr
OCEANIA					
Auckland	—	—	—	—	na
Sydney	15	59	7	45	sh

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	34	93	26	79	fr
Beijing	32	90	22	72	fr
Hong Kong	32	90	28	82	sh
Manila	32	90	24	75	fr
New Delhi	38	100	28	82	fr
Seoul	28	82	19	66	fr
Shanghai	32	90	23	73	fr
Singapore	32	90	26	79	sh
Taipei	33	91	25	77	fr
Tokyo	27	81	23	73	fr
AFRICA					
Algiers	40	104	25	77	fr
Cape Town	17	63	9	48	fr
Casablanca	33	73	20	68	fr
Harare	—	—	—	—	na
Lagos	—	—	—	—	na
Nairobi	21	70	15	59	fr
Tunis	31	88	25	77	fr
LATIN AMERICA					
Buenos Aires	—	—	—	—	na
Lima	—	—	—	—	na
Mexico City	24	75	14	57	fr
Rio de Janeiro	—	—	—	—	na
NORTH AMERICA					
Anchorage	20	68	9	48	fr
Atlanta	34	93	22	72	sh
Boston	34	93	22	72	fr
Chicago	34	93	22	72	fr
Denver	34	93	22	72	fr
Detroit	34	93	22	72	fr
Honolulu	34	93	24	75	fr
Houston	34	93	24	75	fr
Los Angeles	34	93	24	75	fr
Miami	34	93	24	75	fr
Minneapolis	34	93	22	72	fr
Montreal	34	93	22	72	fr
Reno	34	93	22	72	fr
New York	34	93	22	72	fr
Phoenix	40	104	29	84	fr
San Francisco	34	93	22	72	fr
Seattle	34	93	22	72	fr
Toronto	34	93	22	72	fr
Washington	34	93	22	72	fr

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Smooth. FRANKFURT: Fair. Temp. 24—13 (75—55). LONDON: Fair. Temp. 22—13 (72—55). MADRID: Fair. Temp. 35—17 (95—63). NEW YORK: Partly cloudy. Temp. 26—21 (79—70). PARIS: Showers. Temp. 22—13 (72—57). ROME: Fair. Temp. 29—19 (84—66). TEL AVIV: Fair. Temp. 32—20 (90—68). ZURICH: Showers. Temp. 27—13 (81—55). BANGKOK: Rainy. Temp. 34—28 (93—77). HONG KONG: Showers. Temp. 33—29 (91—84). MANILA: Showers and Cloudy. Temp. 32—24 (90—75). SEOUL: Rainy and Cloudy. Temp. 28—21 (79—70). SINGAPORE: Showers. Temp. 27—23 (81—72). TOKYO: Rainy. Temp. 28—23 (82—73).

Argentines Brace for Change

Menem's Aides Prepare Harsh Economic Crackdown

By Eugene Robinson
Washington Post Service

BUENOS AIRES — While the new president, Carlos Saúl Menem, on Sunday spent his first full day in office presiding over pomp and circumstance, his advisers were putting the final touches on an economic package designed to shock Argentina out of its hyperinflationary spiral.

The expectant, uncertain mood of this bright winter's Sunday could be read in two disparate scenes from Buenos Aires' streets.

Downtown, soldiers in full dress regalia marched past Mr. Menem and other officials in a parade marking Argentina's independence day. The well-attended patriotic ceremonies underscored the notion of Mr. Menem's arrival as a new beginning — and perhaps a last chance.

Out in the neighborhoods there was a parade of a different sort: Motorists waited in blocks-long lines to fill their gas tanks, hoping to stock up before a massive expected increase in gasoline prices, said to be among the new administration's economic measures.

Economy Minister Miguel Roig was scheduled to announce that Monday would be declared a bank holiday to give the financial system time to adjust.

While details of the plan were not known, the basic scheme of what Mr. Menem and his team hoped to accomplish was known. The primary objective was to halt an inflation rate that reached 114 percent for the month of June alone, breaking all records and causing widespread hardship.

The new Peronist administration was said to be planning measures that had little to do with Peronism's populist roots. A main component was expected to be a sharp increase in the prices of government-provided goods and services, as a way of cutting the state's enormous, inflation-fueling fiscal deficit.

Gasoline prices were expected to rise as much as 500 percent, from the equivalent of less than 30 cents per gallon to nearly $2.

As Mr. Menem had promised during his campaign, salaries were expected to be raised. But the increase for workers was expected to be only around 130 percent, much less than the increase in public service costs and an amount too small to recoup the buying power workers have lost to inflation in recent months.

One issue that remained unclear was whether a price freeze would be included in the new measures. Mr. Menem's team spent much of last week trying to negotiate voluntary price restraints with leading business groups, but the talks ran into difficulties and as late as Sunday afternoon it was not known whether prices would be kept down by agreement or by decree.

It was expected that the team would announce a sharp devaluation of the austral, the Argentine currency. The outgoing government of Raúl Alfonsín had set an official rate of around 280 australes per U.S. dollar, although the dollar last week traded on the black market at up to 580 australes.

The new administration, in an attempt to foster exports and discourage imports, was expected to set the austral's value even lower than the mark set by the black market, perhaps around 600 australes per dollar.

The new team was also expected to slash interest rates from their current levels of well over 100 percent a month to less than 15 percent a month; impose an emergency tax on some large short-term bank accounts; and perhaps attempt to tax assets Argentine citizens hold abroad.

Jorge Duran/Agence France-Presse

Carlos Saúl Melem, wearing his official sash as Argentina's new president, reviews troops Sunday in Buenos Aires with General Antonio Balza in ceremonies for the 173d anniversary of independence.

In a Shift, AIDS Drugs Are Being Tested More By Private U.S. Doctors

By Gina Kolata
New York Times Service

NEW YORK — A new movement by private doctors to test AIDS drugs independently of university medical centers has gained the support of federal officials and drug companies. It represents a major change in the way experimental drugs are tested in clinical trials.

After a slow start that encountered derision and scorn from academic scientists, these research groups, made up of doctors not affiliated with universities, are suddenly the darlings of the medical establishment.

Earlier fears that these private doctors did not have the technical competence or training to gather scientifically valid data are evaporating, especially since a San Francisco group provided data that led to approval last month of a drug, aerosolized pentamidine, to prevent pneumonia in AIDS patients.

At a meeting in New York this weekend, federal officials, drug company representatives, private doctors from around the country, and AIDS patients and their advocates sat down together in a conciliatory and self-congratulatory mood to map out strategies for conducting studies of promising treatments for AIDS patients.

These experts said that "community based" research, in which private doctors rather than university researchers conducted drug studies, would be quicker because private doctors had patients ready, waiting, and lining up to join studies, whereas university centers often found it difficult to recruit patients.

Many patients live too far from university centers to go there for drug studies and others do not want to leave their private doctors with whom they have long-standing relationships.

The community groups are also making an extensive effort to find and recruit women, intravenous drug users, and blacks and Hispanics who have been seriously underrepresented in AIDS studies so far.

The community-based programs are an innovation in medical research, said Dr. Lawrence Deyton, who heads the newly formed Community Clinical Medicine Branch of the National Institutes of Health AIDS program. He said that the only program that was even remotely similar was one at the National Cancer Institute that allowed private doctors to administer experimental treatments. But doctors in that program do not initiate or help design the studies, Dr. Deyton said.

"What we are seeing here is a ferment that's very positive," Dr. Deyton said. He predicted that community research would spread beyond AIDS to other chronic diseases like high blood pressure, diabetes, heart disease, and Alzheimer's disease. "We're heading in a different direction" in clinical research, Dr. Deyton said.

Michael Callen, an AIDS patient who helped found New York's Community Research Initiative, a consortium that includes 130 private doctors and that has 10 clinical trials under way, said he saw the conference as a "historic occasion." He added that his group and others were hoping that research into other diseases would follow the same path in initiating community-based studies.

The National Institute of Allergy and Infectious Diseases is spending $6 million this year to finance community-based studies on AIDS and the American Foundation for AIDS Research recently awarded $1.4 million to 16 community-based groups in cities throughout the country.

The infectious disease institute also plans to finance a central data collection center so community-based groups can form a network to test drugs. In addition, the institute will sponsor regular conferences to bring together community-based groups to plan studies.

Dr. Joseph Sonnabend, a New York doctor who is a founder of the New York community group, estimated that about 16 drugs were being studied by community-based groups around the nation and that most of those studies had only recently begun.

Dr. Anthony Fauci, director of the federal AIDS program, explained at the meeting that community-based studies would test drugs for efficacy after they had already undergone preliminary tests for safety at university centers.

Florida Sees Tough Fight On Abortion

The Associated Press

WASHINGTON — Governor Bob Martinez of Florida, who favors calling a special session of the state legislature to enact new restrictions on abortions, said Sunday that he expected "very aggressive" lobbying by both sides but that he hoped there would be no violent tactics.

"I believe there is a compromise that can be reached between the rights of the unborn and the rights of women," said Mr. Martinez, an abortion opponent.

The Republican governor, appearing on an ABC television program, outlined some areas of possible compromise, saying abortions might be permitted in cases of rape or incest, or when the mother's life was threatened.

Although he has not yet made a final decision, Mr. Martinez said he preferred to call a special session of the legislature in October.

Also interviewed on the program was the governor of Vermont, Madeleine M. Kunin, a Democrat, who criticized the Supreme Court's decision last week upholding a Missouri statute that restricts abortions.

"What the Supreme Court has really done is created a different standard in each state," she said. "It's created turmoil where there was an uneasy truce. And it's wrenched open a very, very raw wound. The kind of emotional and antagonistic debate that has erupted is going to be very, very tough."

Governor Kunin called the Missouri ban on using taxpayer dollars to pay for abortions "a dangerous restriction, because so many women are dependent on public funds."

"And when you take away public funds," she said, "you really take away their choice as to whether and when they want to have a child."

A Crackdown in Pakistan

Agence France-Presse

KARACHI, Pakistan — The police and paramilitary forces took control of Karachi University on Sunday, one day after a gun battle on the campus between rival student factions left three students and a policeman dead.

A Black U.S. Priest Charts a New Catholic Course

By B. Drummond Ayres
New York Times Service

WASHINGTON — The Reverend George Augustus Stallings Jr. says he is no Martin Luther, no renegade Roman Catholic with a fistful of heretical theses to nail to a church door.

But if he is no Luther, this maverick among Catholic priests has nevertheless defiantly embarked on a course that is forcing the 53-million-member church to consider anew whether it is adequately addressing the needs of its 1.5 million black parishioners. He has done so by establishing an "African-American" congregation.

There is some sympathy among fellow black Catholic clergymen, but so far they have shown scant interest in making a similar break.

"For years, black Catholics have experienced racism and have still stayed in the church," said John H. Ricard, auxiliary bishop of Baltimore and chairman of the Committee for Black Catholics of the National Conference of Catholic Bishops. "I would be very, very surprised that the vast majority would want to see themselves separated from the church."

Moreover, Father Stallings's bold move has raised the question of whether he will end up the same as Luther, the excommunicated founder of a separate church.

Father Stallings says the foot-stomping, body-swaying service that brought his new congregation together on July 2 was only the first step toward establishing African-American congregations across the United States.

Last week, only days after the service of the African-American Catholic Congregation, which he calls the Imani Temple, Father Stallings was suspended from priestly duties by Cardinal James A. Hickey. He has chosen to ignore the suspension.

Father Stallings says his goal is to have more black priests ministering to people, in a service that combines Catholic ritual, gospel choirs, readings from prominent blacks and the spontaneity often found in black Protestant churches.

At his Mass on July 2, for example, he replaced one of the three readings, which are normally drawn from the Scripture. For the second, usually from the New Testament, he substituted a prayer from "The Centering Movement," by Howard Thurman, an African-American religious leader and academic.

"We're going national," Father Stallings said as he ended a week of news conferences and interviews and prepared for a second gathering at the Imani Temple. "*Imani*" is Swahili for "faith."

"We have established the mother congregation for African-American Catholics," he said, "and we will now build a church for it that will hold 6,000, maybe even 8,000 worshipers. Then, we'll begin to branch out around the country, hundreds, thousands of more congregations. You ain't seen nothing yet. Ain't no turning around."

The double negatives were deliberate, rolling sonorously from Father Stallings's tongue as if to underscore that he is a man of soul, ethnic as well as religious, and, lest the point be missed, that he is a man given to breaking convention, even to the point of aspiring to build a church whose capacity will rival that of St. Peter's in Rome.

According to his critics, Father Stallings is considerably more than a defiant, soulful maverick.

Archdiocese officials have confined their public criticism to his liturgical experimentation and defiance of authority. But Father Stallings has also been defending himself against other, more personal attacks, which have recently appeared in The Washington Times and on radio and television talk shows.

For example, some critics — unwilling to attach their names to their remarks — have said the 41-year-old priest has an overblown ego in bad need of psychological treatment. They note that he has

> **'I seek only recognition of African-American needs by a church that is dominated by a white hierarchy.'**
> **George A. Stallings Jr.**

acknowledged having been counseled by a clinical psychologist at one point in the course of discussions with the church about setting up a congregation.

Anonymous detractors have been quoted as saying that Father Stallings lives far too expansively for a man of the cloth, embarrassing the church. These critics note that rather than living in quarters supplied by the archdiocese, he has his own newly refurbished Augustus Manor, filled with antiques and conspicuous amid the squalor of one of Washington's poorest neighborhoods.

Others have cited records showing a rapid turnover in personnel and meager collections during Father Stallings's tenure as pastor of St. Teresa of Avila in southeast Washington from 1976 to 1988.

Cardinal Hickey and other top church officials have refused to address these criticisms, but Father Stallings does not hesitate to do so.

"I deny it all," he said. "This is what happens when you break from the pack. For one thing, I met only a couple of hours with the counselor, a friend, nothing formal. For another, I have taken no vows of poverty. I have a right to have my own house, to pay for it with money I earn, however I earn it.

"Finally, I built St. Teresa from a church of 200 worshipers to a church of 2,000, and the money the archdiocese says it was owed was really used to redo the church because the archdiocese wouldn't help."

In the end, Father Stallings concluded, his new Catholic congregation will vindicate him.

He insists that although Luther's break with Rome eventually led to excommunication and the establishment of Lutheranism, he has no separate denomination in mind and will never leave the church.

"I seek only recognition of African-American needs by a church that is dominated by a white hierarchy with a European background," he said. "The church may leave me, but I will never leave the church. I am, after all, a 'cradle Catholic,' a member of the church since the days when I was a swaddling babe."

Vietnam Bans Videotapes

The Associated Press

BANGKOK — Vietnam has banned videotapes and music cassettes with contents deemed "reactionary and depraved," a Vietnam News Agency report monitored here said Sunday. The report said it was strictly forbidden to import, export or circulate such material, but added that hotels catering to foreign tourists could be granted exemptions if they submitted the material for government approval.

Cuban Sentences Upheld

Reuters

HAVANA — The military bench of the Cuban Supreme Court upheld the death penalties Sunday for four military and intelligence officers accused of drug trafficking. Those facing the firing squad are General Arnaldo Ochoa Sánchez, Captain Jorge Martínez, Colonel Antonio de la Guardia Font and Major Amado Padron Trujillo.

New U.S. Envoy Sparks A Controversy in Italy

By Clyde Haberman
New York Times Service

ROME — His nomination as U.S. ambassador to Italy raised questions in Rome about his qualifications and complaints in Washington about his lapses into undiplomatic language.

For all that, it was a confident Peter F. Secchia who presented his credentials to the Italian government last week, saying he had "nothing to make excuses for."

But almost immediately, Mr. Secchia found himself embroiled in fresh controversy, amid accusations that he was interfering in domestic politics.

The issue arose when the new ambassador publicly reaffirmed U.S. Embassy policy not to meet with Italian Communist Party leaders, even though the party has been trying hard to recast its image and to align itself more closely with European social democratic movements.

Its secretary, Achille Occhetto, recently became the first party leader to visit the United States, where he met with some senior members of Congress but no Bush administration officials.

"We've said for many years that it's up to the Italian people to decide who will govern them," Mr. Secchia said.

"However, the United States government has its view on this matter, and it is clearly our preference that the Communists not enter the government for a number of reasons, specifically the positions taken on key strategic issues. Until I hear differently, I do not intend to meet with the leadership of that party."

Although there was really nothing new in his remarks, they prompted swift protests from Communists, other leftist politicians and at least one national newspaper, all to the effect that the ambassador was intruding heavily into domestic affairs.

"Imagine what would have happened if, in the course of a press conference, the Soviet ambassador declared that he prefers a government without the Christian Democrats," La Repubblica, a national daily with a gadfly reputation, said.

Mr. Secchia made no response to the complaints.

But few new ambassadors have arrived in Rome to the public uproar that has accompanied him as a wealthy businessman from Michigan without diplomatic experience and with the principal credential of being politically close to President George Bush.

Complicating matters were a series of four-letter and scatological comments attributed to him.

Conservative Republicans in the Senate delayed Mr. Secchia's confirmation for weeks, an action that the ambassador says was politically motivated "to get the president's attention."

"I was a victim of this system," he said. He also made clear that he was not about to apologize for his political connections.

"I ask the Italian people to accept me as an American businessman, a friend of the president and a man who has accomplished and who reached this position through his political activities and his friendship with the president," he said. "I make excuses to no one. I will study hard. No one will outwork me."

AMERICAN TOPICS

Jurors Ask Questions In New Experiment

For more than 200 years, the American jury has been a passive audience in the courtroom, breaking its silence only to deliver a verdict. But now an experiment in more than 100 courts in 30 states is giving the jury a voice.

Judges are allowing juries in both criminal and civil trials to question witnesses and tell judges when they want more information. Although rules for state court procedures rarely prohibit juror participation, few judges have flouted custom by allowing it, Professor Steven Penrod of the University of Minnesota Law School says.

Mr. Penrod is co-director of the experiment in juror participation.

The experiment, he says, is aimed at making jury verdicts more reliable. "We depend on juries to find the truth, but jurors are often frustrated because they can't ask for clarifications or additional facts." Permitting questions can also reveal whether the jury is hung up on an irrelevant tangent.

But the experiment is causing some concern. "American juries are supposed to hear the evidence rather than join the inquisition," said Lawrence M. Lapine, a Connecticut attorney.

Other lawyers wonder whether jury questions will lengthen trials and worsen court caseloads.

Short Takes

New York is no longer glamorized by the movies as "the world's brightest, most exciting, most glittering city," The New York Times reports, taking note of three new films. "Do the Right Thing" focuses on the slums of Brooklyn. "Batman" shows Manhattan as "a gray, dark, smoggy wasteland of crime and corruption." And "Ghostbusters II" shows everyone in New York feeling "overworked, underpaid, put upon, ready to fly off the handle." In each film, The Times says, life in the city seems "out of control" and the city is "terminally ill."

Notes About People

Larry L. King, author and playwright, likes to recall some of the expressions "unique to the South and Texas" that he grew up with. The retort to a tired excuse was "that old dog won't hunt no more." When you have got trouble on your hands, "it's too wet to plow." A favorite of Lady Bird Johnson, widow of President Lyndon Johnson, was, "It'll happen if the good Lord's willing and the creek don't rise."

Although **George Bush's** golf scores are usually kept as confidential as a state secret, he is obviously no duffer. The Washington Post reports that during the Fourth of July holiday, the president shot a highly respectable 81 at Cape Arundel Golf Club near his summer home at Kennebunkport, Maine. Ken Raynor, the club pro, said it was Mr. Bush's "best score in a long, long while."

How Society Pages Show Society's Shifts

"Wedding announcements may appear stylized and perfunctory," the author Letty Cottin Pogrebin notes in The New York Times Magazine, but "cumulatively, these brief news items delineate the progress of women with more clarity than mountains of polls or statistics. Each minibiography of a particular couple may be read as a microsummary of social change."

She cites "the growing number of bridal couples who were 'previously married and divorced;' the proliferation of step-parents, the increased use of the honorific Ms., which masks a woman's marital history; photographs of the couple rather than just the bride; racial, ethnic and religious intermarriage cued by the couple's picture, disparate ethnic names or the mention of two officiating clergy, one from each partner's faith."

Most striking, she writes, "is the evidence of women's professional progress and growing autonomy." Thirty years ago, "most women had no jobs," or at least none worth mentioning. In contrast, "today's announcements present brides who are lawyers, doctors, corporate vice presidents, financial analysts, marketing managers, bankers, management consultants, architects, business owners, computer specialists" and so on.

Arthur Higbee

SOLVAY

SOLVAY GROUP IN 1988

RESULTS SET A NEW RECORD

LETTER TO OUR SHAREHOLDERS

1988

In 1988, the activities of the Solvay Group developed in an excellent international economic climate.

The year of the 125th anniversary of Solvay & Cie closed with a consolidated turnover which is 13.4% up on the previous year and net consolidated results showing a 24.2% increase. The results set a new record of BEF 15.1 billion. They include extraordinary profits on the sale of CCPC Chemical Inc. shares, but also extraordinary expenses, such as the depreciation of considerable acquisition goodwills and appropriations for pension fund capital in several countries.

Growth in the five sectors of activity

The five sectors of the Group have developed very favourably.

In Alkalis, sales and results are higher than those for the previous year, while caustic soda in particular presents a very positive picture worldwide.

In Peroxides, the results of the Interox Group remain at the high 1987 level; the significant increase in the volume of sales of hydrogen peroxide in a climate of stable prices is offset by the effects of increased pressure on persalts.

The Plastics sector has experienced a new record year: markets with a high demand for polyvinyl chloride (PVC), high density polyethylene and polypropylene allowed this sector to achieve a significant increase in turnover and results.

In the Transformation sector the turnover shows an improvement on the previous financial year, although the results suffered somewhat from the effects of rising resin prices. In this sector, we continued throughout the year to concentrate our efforts on those areas where we are strongest.

Health shows a large increase in turnover. 50 % of the research expenditure of the Solvay Group is devoted to this sector.

Continuation of the policy of twofold diversification, per country and per product

The future of the Group is assured by a desire to strengthen its position as a worldwide group active in advanced technologies. This objective of expanding in a worldwide context implies a major effort for Solvay: the Group has a strong presence in Western Europe (which accounts for 74 % of the consolidated turnover) but wants to expand further in the Americas, which account for 19 % of its turnover, and intensify its presence in Asia, which accounts for some 4% of the turnover.

More investment in the future

The Board of Directors has approved an investment programme of BEF 26.5 billion for 1989, compared with BEF 23.7 billion in 1988. Furthermore, a research and development programme of over BEF 11.5 billion has also been decided for 1989, compared with expenses in the area of BEF 10.8 billion in 1988.

Higher dividends

Shareholders who received one free share for twenty existing shares, bearing dividends from January 1, 1988, will receive a dividend of BEF 410 per fully paid-up share, an increase of 16.4 % (following an adjustment to allow for the free allocation) compared with 1987.

1989...

On the basis of the first months of the current year and the favourable outlook for the world economy in 1989, Solvay has no reason to believe that the 1989 results will be lower than those for 1988.

... and beyond

In the longer term, Solvay intends to pursue expansion in its five sectors of activity, increase geographical diversification, place greater emphasis on products with a high added value and strengthen its world ranking in the chosen fields of activity.

Daniel Janssen, Chairman Executive Committee — Jacques Solvay, Chairman Board of Directors

KEY FIGURES FOR THE SOLVAY GROUP	1987	1988	1988	1988
in millions	BEF	BEF	USD	XEU
Turnover	223,602	253,469	6,888	5,821
Net result	12,166	15,115	411	347
Cash flow	26,582	33,382	907	767
Investment expenditure	16,800	23,700	644	544
Research expenditure	9,225	10,794	293	248
PER SOLVAY SHARE	BEF	BEF	USD	XEU
Price on the Brussels Stock Exchange				
high	15,750	13,475	366	309
low	8,350	9,090	247	209
on 31 December	9,500	13,200	359	303
Shareholders' equity after appropriation	8,012	9,004	245	207
Cash flow	3,113	3,766	102	86
Net earnings	1,377	1,655	45	38
Earnings before extraordinary items	1,807	2,262	61	52
Gross dividend (*)	493.33	546.67	14.85	12.56
Net dividend (*)	370.00	410.00	11.14	9.42

(*) plus one free share for twenty existing shares allotted in September 1988

SOLVAY

The annual report is available in French, Dutch, English and German on request from Solvay & Cie General Secretariat: Rue du Prince Albert 33, 1050 Brussels

Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

Bush and Eastern Europe

Bring Vision and Tact

George Bush's visit to Poland and Hungary gives him a triple opportunity. He can advance his personal dedication to assisting Eastern Europe, and especially Poland, and gain more freedom and the economic viability that will help sustain it. He can work to make real, in a politically acceptable and safe way, the old conservative dream of "liberation" and "rollback." The United States set aside this dream when it could not make good on its imprudent pledges of aid to Hungary in 1956, but the dream is back on the strategic agenda as a result of the policy of Mikhail Gorbachev and stirrings within the region. Finally, with the cooperation of the immense crowds he is expected to draw, Mr. Bush will be showing that he is a match for Mr. Gorbachev in the international superstar sweepstakes and that he, too, can reach across the East-West line.

Mr. Bush has experience in Eastern Europe, and in one sense his mission is easy because things are already going the West's way. He doesn't have to do much more than show up. Still, for all the progress and promise, the region remains a fragile place where the new arrangements and attitudes are insecurely rooted and where missteps could take a cruel toll, and this poses to Mr. Bush a Polish question of his own.

It is right for a visiting U.S. president to raise the banner of freedom and offer the prospect of integration with the West, but he must be prepared to take local cues. Opposition and official Poles alike, for instance, understand the risks of pushing too hard against the Communist structure, lest things get out of control on either an official or a popular level. Soviet authorities are sensitive to internal political shifts that become shifts in the balance of power. A touchy but sober Gorbachev warns the West not to equate overcoming the division of Europe with "overcoming socialism": "That is a course toward confrontation, if not worse. There will be no European unity along those lines."

There is a deep contradiction at the heart of the Kremlin's East European policy, which promises at once national choice and socialist continuity. The question of what happens if a country of the region opts out of socialism and its Soviet connection is one that both leaders have sought to blur, Mr. Gorbachev with his vision of a "common European house" and Mr. Bush with his assurance that "driving wedges" is "not what 1989 diplomacy is about." No useful purpose is served by forcing questions that are hypothetical at the moment. But no useful purpose is served, either, by ignoring that these questions continue to nag. A vision of the future is required in any American policy aimed at the shining, newly approachable goal of ending the division of Europe, and so is consummate tact.

— THE WASHINGTON POST.

Deal With Gorbachev

Mikhail Gorbachev offered two promising new thoughts in France last week. Both warrant prompt attention from President George Bush as he prepares for his trip to Poland and Hungary this week and discussion at an early U.S.-Soviet summit meeting.

First, the Soviet leader demonstrated a startling willingness to tolerate self-determination in Eastern Europe. "How the Polish and Hungarian people decide to structure their society and their lives will be their affair," he said. But he warned the West not to interfere in their decisions.

Second, he may have pointed the way to a deal on short-range nuclear weapons. He indicated willingness to accept some U.S. nukes in Europe, seemingly deferring his goal of eliminating them all.

Leonid Brezhnev sought to justify Soviet intervention in the internal affairs of Eastern Europe. Mr. Gorbachev dropped hints of a doctrinal change in his March 1986 speech to the 27th party congress. Last week in Strasbourg he spelled it out: "Social and political orders in one country or another changed in the past and may change in the future. But this change is the exclusive affair of the people of that country and is their choice." All but annulling the Brezhnev doctrine, he added: "Any interference in domestic affairs and any attempts to restrict the sovereignty of states — friends, allies or any others — are inadmissible." He explicitly acknowledged "the right to free election" to be "of vital importance" — and not just in Poland and Hungary. This came just a day after Solidarity became the first organized opposition party ever allowed to take its rightful place in the elected legislature of a Communist country.

Later, however, Mr. Gorbachev cautioned the West not to expect Eastern Europe to "return to the capitalist fold." He went on to imply a limit on autonomy: "Some would like to see the problem of Europe solved by the displacement of socialism, but I think this is unreal and even dangerous."

He clarified the ambiguity somewhat in talks with President François Mitterrand. Rather than suggest Soviet action to curtail change, he urged "responsible attitudes" on the part of Western leaders. That was also an oblique rebuff to Mr. Bush's call for Moscow to withdraw all its forces from Poland. Economic help is one thing; talk of rolling back the Soviets is quite another.

Mr. Bush's directness irked the Soviet leader, who desperately wants to control the pace of change in Eastern Europe to avoid what he repeatedly referred to as "destabilization." Mr. Gorbachev is prepared to let Poland be Poland, but not for Mr. Bush to grandstand for Poles.

On tactical nuclear weapons, Mr. Gorbachev's comments relegated their complete removal from Europe to an "ultimate objective" in a "stage-by-stage process." He suggested going "part of the way" by exploring what the West means by "minimum" when it talks about "minimum deterrence." If "minimum" means leaving some U.S. nuclear weapons in Europe until an agreement is reached on conventional forces, this might constitute a breakthrough.

As the tanks and missiles roll back and political and economic reforms proceed, Mr. Bush and Mr. Gorbachev share a vital interest in avoiding confrontation in Eastern Europe. For the sake of peace, they must try to manage what they cannot control.

— THE NEW YORK TIMES.

Brazil Has to Perform

Brazil has again begun to hold up interest payments on its huge foreign debts. This time, according to the explanations, it is not a political gesture of defiance but merely a prudent attempt to conserve foreign exchange reserves. Regardless of the Brazilians' intentions, it will certainly serve one useful political purpose. It will remind the heads of the seven leading industrial democracies, as they gather this week in Paris for their annual summit meeting on the world economy, that they still have no strategy for dealing with the Third World's debts. Several months ago the United States offered a proposal, the Brady plan, but it seems to have stalled during the spring and the mechanics are having trouble getting it started again.

South Americans bitterly protest that the debts are an oppressive burden imposed on them by the rich countries, preventing them from growing normally. The debts are certainly a burden that needs to be mitigated, but in most of those countries the primary reasons for economic troubles are internal. Debt reduction will not accomplish much unless it is accompanied by domestic reforms that are serious and substantial.

Brazil is the leading example. An anti-inflation program announced last January has collapsed. The inflation rate is approaching 30 percent a month. The chance of useful intervention by the government this year appears to be zero, for Brazil is moving toward elections in November — its first popular election of a president since 1960 — and the campaign is paralyzing policy.

The basic reason for the inflation is a huge budget deficit. Why the deficit? Brazil has a grossly unequal distribution of income, with great concentrations of wealth at the top of the ladder and great poverty at the bottom. The wealthy use their financial power to resist taxation, and the poor are learning to use their votes to resist any cuts in social subsidies. The result is a deadlock of a kind familiar to Americans but on a much more menacing scale. If Brazilians can't work out a solution to the fundamental dangers of deficit and inflation, debt relief won't help them.

All of the various debt plans that have appeared over the years have involved, one way or another, the promise of help with the debts as an incentive to structural reform in the debtor countries. It is a promise that the Paris summit meeting ought to reaffirm. But until Brazil begins to bring its own domestic economy into balance, it cannot expect the rest of the world to show much enthusiasm for bailing it out.

— THE WASHINGTON POST.

Other Comment

The Right Way for Indochina

Prince Norodom Sihanouk does not hold out much hope for an agreement at the international conference on Cambodia in Paris later this month. The prince bases his pessimistic prognosis on differences in positions that persist between the three-faction coalition which he leads and the Phnom Penh regime.

If the withdrawal of Vietnamese troops can be verified by the United Nations, then the onus is on China to fulfill its promise of halting military aid to the various factions of the coalition. Similarly, confirmation of a Vietnamese-free Cambodia will prompt Thailand to interdict arms shipments to the resistance factions and deny use of sanctuaries on Thai territory.

Vietnam should not allow a relatively minor question of verification to scuttle the prospect of peace. Peace will open the doors to international aid that will help in reconstruction and development of not only Cambodia but also Vietnam and Laos.

— New Straits Times (Kuala Lumpur).

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OPINION

The Big Week in Paris: Garish, Costly and Purloined

By Flora Lewis

PARIS — François Mitterrand's 200th birthday party has got out of hand. Plans for celebrating the bicentennial of the French Revolution have been in the making for nearly a decade, with drastic changes reflecting changes of government. But what is in store for the week ahead is a mixture of the garish, the pompous and what one French paper has called Mitterrandolatry.

In normal years, July 14 is the occasion for military parades, a bit of patriotic oratory and then a big popular festival with fireworks and dancing in the streets. This year it is being more or less embezzled from the people, at least in Paris, because so many government heads are coming to town that the heart of the capital will be shut down for security.

The French resent it and are tired of the historical fuss. It is costing a vast amount. A lot of the special events and temporary constructions are tacky and unattractive.

There is not much French flair, except for the decision of some left-wingers to hold a free pop concert on the Place de la Bastille just before the crazy week began, to protest the government's lavish gala as an "insult to the oppressed." They want something to be a reminder that the Revolution was launched by the sans-culottes, the poor who could not afford gentlemanly breeches.

It is the turn of France this year to be host to the annual summit meeting of seven industrialized nations. President Mitterrand deferred the meeting from the usual late spring date so that the world's powerful would be on hand to honor the national holiday. There are important decisions to take, but the atmosphere will be a circus.

Then someone realized that the seven leaders are from the richest countries, and that it would be appropriate on Bastille Day to invite the poor as well. So 24 other state or government heads are also coming. Of course, they aren't poor, but lots of their people are, and with due revolutionary tact the list includes no kings, queens or princes.

Neither are any Communist governments included. Their revolutions are apparently too recent to have acquired the proper patina.

The irony of it all is that, by sheer accident of calendar, all the hoopla comes just when the French have started to de-mythify their Revolution, and others that happened since.

Mikhail Gorbachev was welcomed in Paris last week not as the top-ranking Bolshevik but as a man who is trying to dredge his country out of the disasters inflicted on it in the name of revolution. China's ruthless suppression of students who called for a bit of democracy has added to the tarnish of the revolutionary idea these days.

The bicentennial has provided the occasion for a lot of books, articles and films reassessing what actually happened in France at the end of the 18th century, and with fairly widespread acknowledgment that there was a lot more gore than glory. The newsweekly Le Point recently devoted two pages to the deliberate massacre in Vendée which sought to depopulate the pro-royalist province in 1794. On Dec. 16 alone that year, 10,000 people were slaughtered in the city of Nantes. Some 600,000 died in Vendee, according to one historian's estimate, and Le Point notes that that is more than in the whole American Civil War. If the word genocide had existed, it would have been applicable.

Other recent works question the trial of Louis XVI, deal kindly with Marie Antoinette and her sentimentality, judge sternly the bloody orgy of the guillotine. (Incidentally, the French never thought the queen said "Let them eat cake" when she heard that the people had no bread. She said "Let them eat brioche," a yeasty kind of bread often eaten on Sundays if nothing fresh has been baked.)

François Mitterrand by KAL.

It is only in the last few years that it has become acceptable to question the legends of virtue and evil enshrined in the school texts. France has at last de-ideologized itself, and it isn't unadulteratedly reactionary any more to draw attention to the horrors and destruction that the Revolution brought.

"We have no Founding Fathers to admire, like you Americans," a French woman said on July 4th. "Who could be a heroic model — Danton, Robespierre? They were bloody-minded murderers."

She had been moved by an Independence Day ceremony at Lafayette's tomb, in the Paris suburbs. Lafayette's wife, who lost most of her family to the guillotine, had found their remains in a mass grave and had them reburied in the family plot.

"Now that the republic is secure, the French feel free to face its origins," said an American professor. Of course, that was not foreseen when the extravaganza was being organized for Mr. Mitterrand to preside over.

But it is reassuring. Tamper with folk customs to magnify your importance, and you get folk wisdom thrown back.

The New York Times.

CHORES FOR THE WEST: Invest in a Polish Reform Process

By George Soros

WASHINGTON — When Western leaders meet in Paris this week, they will have Poland on the agenda. It will be one item out of many, and there is a danger that they will miss an opportunity that comes along only once in a great while.

Poland is at a critical juncture, both politically and economically. The conflict between the Communist state and civil society which had kept the country paralyzed for the past decade has been superseded by a social contract. Free elections were held, in which the Communists were decisively rejected. But, in accordance with the contract, Solidarity has only 35 percent of the Sejm and does not control the government.

Leaders on both sides have to contend with hard-liners of their own as well as with general disaffection among the population. They must produce positive results in the economy so that the peaceful transition to a democratic form of government may endure. Both sides have entered into their historic compromise in the firm expectation that the West will help in engineering an economic turnaround.

After a decade of paralysis, the economy is extremely run down; and after the wage concessions of the past year, inflation is spinning out of control. The rise in prices can be expected to exceed 300 percent in the next 12 months. If the free market rate of the dollar is any guide, hyperinflation is just around the corner.

The external debt has continued to accumulate and now approaches $40 billion. Around three-quarters of this is due to official creditors, represented by the Paris Club, and one-quarter to commercial banks, represented by the London Club. The disparity has arisen because Poland has paid the interest on its commercial debt in full while paying practically nothing to the Paris Club. This has caused considerable resentment among Treasury officials who are in charge of the Paris Club, while it has kept the free market price of the bank debt, currently around 38 percent, higher than it would be otherwise.

The dire economic situation has a positive aspect; it would not need a great deal of resources to turn it around. At the current free market rate of exchange, the budget deficit, which is the main engine of inflation, is in the region of $1 billion. Existing economic structures have become so dysfunctional that they would offer little resistance to a complete restructuring of the economy. Moreover, both the government and Solidarity are not only receptive to but positively eager for radical change.

A trade union agitating for a return to capitalism sounds unbelievable to Western ears, yet that is the case in Poland today. It is easy to understand why a solvent employer is in the best interests of the employee — especially in Poland, where the state is both morally and financially bankrupt.

The stage is set for a radical new departure. Both sides in Poland are ready for it, but the Western governments seem to lack the vision that would make it possible.

There is no need for a large infusion of money. The amounts involved are relatively modest and become quite insignificant when considered in the context of Western defense spending. What is needed is Western engagement in the Polish reform process and a commitment to see it through to a successful conclusion.

This is a case where outside involvement is necessary to bring about internal reform because only an external obligation can justify the dislocations that a radical reform would entail. That has been the mechanism driving the European Community. In the case of Poland, the external obligation is readily at hand: the international debt.

I have proposed a kind of macro-economic debt-into-equity conversion program in which state enterprises would be converted into joint stock companies and a portion of the shares would be used as one element in a debt reorganization scheme. This long-term restructuring of the Polish economy and of the Polish debt would be combined with a short-term monetary stabilization program in which the International Monetary Fund and the World Bank would play their roles.

My proposal was received enthusiastically in Poland; the government and the economic experts of Solidarity endorsed it. But it encountered a much more reserved attitude among Western officials. Many of the objections can be ascribed to bureaucratic caution. The IMF finds the situation in Poland too chaotic for initiating a program, and most governments seem to prefer a step-by-step approach.

But there is one objection that I must acknowledge as substantive: Any debt reorganization scheme that disturbs the status quo of the Paris Club debt creates a precedent that could be used by other countries. The problem can be delayed, because the actual debt reorganization would not take place for at least three years, but it cannot be avoided forever.

The question arises whether the Western governments should avoid doing something real in order to preserve a fiction. Nobody can claim that the Polish debt is worth 100 cents on the dollar.

In any case, there is much more at stake than just debt service. There has been no instance yet of successful economic reform in a Communist country. Success in Poland would influence the entire region.

It is to be hoped that heads of state can put matters into the right perspective and hand down the appropriate instructions to their bureaucracies.

The writer, a Hungarian-American financier, has established philanthropic foundations in Hungary, Poland and the Soviet Union. He contributed this comment to The Washington Post.

Promote an Austrian Solution for Eastern Europe

By Walter C. Clemens Jr.

BOSTON — In France last week, Mikhail Gorbachev seemed to renounce the Brezhnev doctrine, saying that force was "inadmissible" within or between alliances. His assurances heighten the need for the West to decide on a policy of how to encourage change in the lands between Western Europe and the Soviet Union.

Is there some way in which Soviet security and economic interests could be protected even as the nations on the Soviet western flank gain independence and democracy? An answer may be found in the Austrian model.

The Kremlin agreed to withdraw from Austria in 1955 when it pledged to observe Swiss-style neutrality and a treaty with the West stipulated that it would maintain minimal arms.

The Kremlin has been more than pleased with this arrangement. It assured that Austria would not join NATO, and has created a major meeting ground for East and West. Moscow has even suggested that it would approve Austria's participation in the European Community, provided this did not jeopardize its neutrality.

Why should an Austrian solution for Eastern Europe appeal to Moscow? The Kremlin needs time and energy for domestic reforms. Soviet leaders see virtually no military threat from the West. They see that Poland and most East European states have become an imperial burden rather than exemplars of Communist prosperity, a useful buffer against Western aggression and a stepping stone to domination of the West. Soviet military forces there only waste resources and spur NATO arms procurement.

Moscow's troubles do not begin or end with its nominal allies in the Warsaw Pact. The Baltic republics clamor for "sovereignty." Popular fronts in Estonia, Lithuania and Latvia demand repudiation of the 1939-1940 dealings under which small minorities, backed by the Red Army, requested accession to the Soviet Union. Mr. Gorbachev has said he supports a re-examination of the annexations.

In essence, the Kremlin is faced with a revolution of rising expectations that it cannot satisfy merely by reforming existing institutions.

I asked a dozen analysts at the Institute of World Economic and International Relations in Moscow whether the Kremlin could tolerate a neutral Hungary. They said it would, because Moscow has no other choice. It lacks the resources to satisfy its own people, let alone cope with the rising expectations of East Europeans.

Did they worry that, if Soviet troops were withdrawn from Eastern Europe, the two Germanys might someday unite? "That is up to them." Might a united Germany not dominate all Europe and someday become a military threat once more? "In today's world, power comes from harnessing the scientific-technological revolution — not from weapons. Germans no longer need or want lebensraum. What they need is good trading partners, not vassals or allies."

These civilian strategists admit that their views are not shared by the marshals, who still relive the tank battles of 1943. But think-tank intellectuals have been prophets of perestroika and have contributed much of the "new thinking" behind Mr. Gorbachev's innovations. He seems to believe, as they do, that power now comes from mobilizing an "information society," without bureaucracies stifling the free flow of ideas, and not from bayonets or tanks aimed at surly minions.

Still, Mr. Gorbachev waffles. In Paris last week he told a press conference that the Polish and Hungarian people are free to decide how to structure their societies. He predicted that the process of democratization would transform all of Eastern Europe. But, at the Sorbonne the same day he warned the West against expecting that Eastern Europe would "return to the capitalist fold" and "cultivate the illusion that only bourgeois society represents eternal values."

Soviet rule in Eastern Europe and in every border republic has rested on coercion. In our age of escalating interdependencies, continued coercion is inefficient and, over time, untenable. What Russia needs is security and prosperity. Neither goal requires a feudal empire. An Austrian model would assure Moscow that none of its border lands joined an anti-Soviet alliance or otherwise threatened Soviet security.

No doubt Kremlin conservatives would object, but Moscow's best tack now would be to permit its republics and Warsaw Pact allies a vote: Do they wish to continue union or alliance with the Soviet Union, or do they prefer independence premised on neutrality and perpetual demilitarization? Whatever the outcome, the result would clear the air and put relations on a voluntary foundation.

Mr. Gorbachev reiterated last week that he wants Russia to be accepted in what he calls "our common European home." He could do no better than to foster a zone of free states between the European Community and the Soviet Union, a transmission belt for ideas and goods to help breathe new life into a region that has endured a long stagnation. Western diplomacy should aim to underscore the gains of an Austrian approach for both sides.

The writer, who teaches at Boston University, is author of the forthcoming "Can Russia Change?" He contributed this comment to The New York Times.

Join Forces to Help Conserve and Replant Forests

By Emil Salim

The writer is Indonesia's minister of state for population and environment.

JAKARTA — Indonesia has one of the largest areas of tropical forest in the world. We are well aware of the value of such forest. So are other countries in Southeast Asia, such as Malaysia, that rely on their forests not only for foreign exchange earnings from timber exports but also as guardians of the environment.

Forests protect against floods and erosion. They help regulate and safeguard supplies of groundwater, including the water our people drink. We also know that forests help maintain the quality of the global atmosphere. And they contain an untold wealth of biogenetic diversity, species of plant, insect and animal life which represent a common human heritage and a potential reservoir that mankind has barely tapped.

Thus, safeguarding our forests by sustainable exploitation and conservation of their genetic wealth is both a national and an international concern. It requires extensive and carefully planned global cooperation. This can be done. A start could be made in Paris this week if Japan, the United States and other industrial powers moved beyond talking about tropical forest depletion to an action program that contained fiscal measures and incentives for conservation and large-scale replanting.

This must be a cooperative effort. Indonesia, for example, has a population of 180 million, which makes it the world's fifth most populous country. Many of our people are poor. They cut forests for fuel, building materials and to create more land for agriculture.

Indonesia has had to listen to incessant reproaches from finger-wagging critics about the way it is treating its forests. Many of these critics conveniently overlook the fact that developed countries denuded their forests as they industrialized. These countries share some responsibility for stripping our trees, since they are substantial importers of tropical forest products.

Remaining tropical forests are distributed among more than 70 developing countries. But three — Brazil, Indonesia and Zaire — are estimated to contain nearly half the total of untouched forest. If they preserve jungle, they must forego income. International assistance is required for compensation and conservation.

We want to slow the rate of forest exploitation by halting export of logs and, instead, processing and adding value to timber in Indonesia. Developed countries could help by investing in our timber industry and providing the necessary technology.

Also, countries which buy tropical forest products could ease tariffs and other barriers on imports of processed wood and stiffen those for unprocessed timber or logs. This would be a disincentive to the trade in logs. Revenues from such tariffs could be applied toward rehabilitation of depleted forests in developing countries. Such funds must, of course, be matched by appropriate domestic efforts.

Indonesia has a reforestation plan that would be financed from levies paid by logging companies. These would amount to $300 million a year, enough to replant 300,000 hectares of forest that have been denuded or severely thinned. However, at this annual rate it would take about 65 years to complete the task. If foreign countries and international financial institutions matched Indonesia's contribution, it would halve the replanting period.

We are also seeking international cooperation to protect and conserve the biogenetic resources contained in our forests by creating a network of scientific sanctuaries in Indonesia. Institutional arrangements should be established to ensure that the benefits derived from such resources are equitably shared for the benefit of mankind, not monopolized by industries and countries that have the necessary know-how and financial power.

The help we need requires international cooperation on various levels: between governments, relevant industries, academic and scientific communities, and nongovernment environmental organizations. If developed and developing countries can work together in this way, we may be able to pioneer new approaches that would narrow the North-South gap between the rich and the poor.

International Herald Tribune.

The Whole Amazon Forest Might Die

PORTO ALEGRE, Brazil — Of the rainwater that falls on tropical forests, about 75 percent is put back into the atmosphere, into new clouds, within 48 hours. The process is known as evapo-transpiration. Rain that falls on the Amazon River basin is recycled up to seven times.

Only a small part of the rain that reaches the dense canopy of the forest ends up in streams and rivers. And on its way back to the ocean where it came from, much of this water is re-evaporated into the atmosphere.

If the present rate of deforestation in the eastern sector of the Amazon jungle continues, a million square kilometers (an area four times the size of Britain), will be gone by the turn of the century. There would then be a risk that the whole of the Amazon forest might collapse and die. With the east bare, instead of evapo-transpiration there would be hot air rising. Incoming clouds would dissolve. Rain would not fall until much further inland, perhaps thousands of kilometers further on. The forest would start to dry up.

Jungle cannot survive for more than three or four months without rain. Although the majestic trees suggest otherwise, rain forest has very superficial roots and poor soil. It survives by almost instantaneous recycling.

In a temperate forest, a thick litter of dry leaves covers the ground. Beneath is a layer of soil and humus a meter or more thick. In rain forest, the litter is very thin; leaves decay quickly and are recycled into the surrounding atmosphere. This is why the jungle consists of a thousand tons of green mass per hectare, and almost nothing in the soil. It is the only way rain forest can survive.

The jungles of Brazil and other developing countries in the tropics are highly vulnerable. Once the trees are cut, nutrients disappear. So settlers who have migrated to the Amazon can survive only by cutting down more and more forest. They may not realize it, but they are on a suicidal course.

— José Lutzenberger, a Brazilian ecologist, in an article distributed by Third World Network Features.

100, 75 AND 50 YEARS AGO

1889: Congo Gathering

PARIS — The *Herald* says: "England, France, Italy, Belgium and the Free State of the Congo have signified their readiness to send representatives to an International Conference, to be held in the autumn in Brussels to enlarge the sovereign powers of the Congo administration and devise further means for the civilization of Central Africa, and for the suppression of the slave trade."

1914: Oil Found in China

PEKING — The Chinese Government reports that the geologists of the Standard Oil Company have located large oil-bearing tracts in the province of Shansi. Foreign groups interested in oil are now earmarking areas in Honan, Kansu, Szechuan and Kiangsi for operations. The British resent the secret examination of the province of Shansi by Standard Oil, claiming that Great Britain has the sole right to operate there.

1939: Bill Is Menaced

WASHINGTON — Already seriously menaced in committee and on the floor of the Senate, the Administration's neutrality revision bill killing the arms embargo today [July 9] faced the new danger of being held over in Congress. Senator William E. Borah, veteran isolationist leader, is expected to move the postponement of consideration of neutrality legislation when the Senate Foreign Relations Committee meets Tuesday [July 11]. Observers said that if the bill were beaten in committee, President Roosevelt might make a statement pointing out that Congress could be recalled for neutrality action in case a war broke out. The President, who spent the day yachting on the Potomac, is due back in Washington tomorrow for the raising of the arms embargo. Meanwhile, Secretary of State Cordell Hull and other members of the Administration brought influence to bear on Senators for the passage of neutrality revison.

Beijing Expels 2d VOA Man

Rebuff to U.S. Seen in Decision

By Nicholas D. Kristof
New York Times Service

BEIJING — China has ordered the expulsion of a correspondent from the Voice of America radio network, asserting that his reporting violated provisions of martial law.

It was the second time in less than a month that a VOA correspondent had been ordered to leave, and the move seemed to reflect continuing tensions between China and the United States over the crackdown on the democracy movement.

As an arm of the U.S. government, VOA is sometimes seen here as not just a journalistic entity but also a symbol of official U.S. influence.

The correspondent, Mark W. Hopkins, is the network's Boston bureau chief and was working temporarily in China.

Like many other reporters here, he holds a tourist visa because journalist visas are *difficult to obtain*. Mr. Hopkins said that the Chinese officials raised as a subsidiary point the fact that he was working while holding a tourist visa.

Since the military crackdown began in the early morning hours of June 4, the government has expelled two foreign correspondents accredited to Beijing, Allan W. Pessin of VOA and John Pomfret of The Associated Press. Both were ordered on June 14 to leave within three days.

Several other correspondents here on tourist visas, including one representing the Dallas Morning News and three from the British Independent Television Network, have also been ordered to leave.

The Chinese government has been critical of many foreign news reports of the crackdown, and martial law rules technically forbid almost all coverage of either the democracy movement or the subsequent crackdown.

■ U.S. Approves Jet Sale

Earlier, Michael R. Gordon of The New York Times reported from Washington:

Granting a waiver of the sanctions announced by President Bush last month, State Department officials have announced that Boeing Co. could sell four commercial jetliners to China.

The waiver involves only the four 757-200 commercial jetliners. But officials said the decision could have important long-term implications for Boeing, which hopes to stay in the potentially lucrative Chinese market for civilian aircraft.

The decision to grant the waiver was made by Secretary of State James A. Baker 3d and was coordinated with the White House, the officials said.

The State Department asserted that the waiver did not represent a softening of the sanctions that Mr. Bush had already put into place.

The decision to grant the waiver was criticized by some members of Congress who have lobbied Mr. Bush for tougher sanctions against China. Last month, Mr. Bush halted the sale of military hardware.

The State Department officials said the Boeing deal had been held up because the plane's navigation system was on the munitions control list that applies to exports to Communist countries. The Bush sanctions blocked the sale of all items on that list.

But State Department officials said the navigation systems would be used in civilian aircraft and *would have no important military value for the Chinese.*

France Will Get A U.S. Loan: Key to Bastille

Agence France-Presse

WASHINGTON — President George Bush will give President François Mitterrand of France the key to the Bastille prison for display during ceremonies marking the 200th anniversary of the French Revolution, U.S. officials said Sunday.

The *Marquis de Lafayette* gave the 20-centimeter (7.8-inch) key to George Washington, the first American president, as a token of gratitude for U.S. aid to French revolutionaries. It will be on display at the Bastille until July 22 before being returned to the George Washington Museum in Mount Vernon, Virginia.

The storming of the Paris prison on July 14, 1789, is traditionally regarded as the beginning of the revolution. In a gesture to reflect the ties between France and the United States, Mr. Bush will return the key to Mr. Mitterrand during a *ceremony Thursday at* the Opera of the Place de la Bastille.

On Friday, the two presidents will join other heads of state for the traditional Bastille Day parade at the Place de la Concorde. Mr. Bush will also be in Paris for the Group of Seven meeting of leading industrialized countries.

U.S. Might Seek Peace Talks if Israel Limits Palestinian Vote

By Thomas L. Friedman
New York Times Service

MUSCAT, Oman — If Israel imposes so many conditions on a proposal for Palestinian elections that the plan is impossible for Arabs to accept, the United States will have to consider *organizing* an international peace conference to break the impasse, reporters traveling with Secretary of State James A. Baker 3d have been told.

In suddenly bringing up the idea of an international peace conference, which Prime Minister Yitzhak Shamir opposes, U.S. officials were sending Israel an unmistakable message: Do not weigh down the election idea with hard-line conditions, or Washington will have no choice but to resort to alternative peace formulas — some of which may be unpalatable to Israel.

Reporters on Mr. Baker's plane Saturday were told: "Our calculus all along has been that if things totally bog down, if you can't make progress with this election proposal, then we would have to look a little bit more closely at the prospects for an international conference. There is an awful lot of support for that out there from other countries. We have always said that an international conference, properly structured, at the right time, might be useful."

But U.S. officials made clear that at this stage they still feel the election idea — which calls for Palestinians in the occupied West Bank and Gaza Strip to elect representatives who would negotiate an interim accord and then a final settlement with Israel — is a live option, despite the conditions attached last week at a Likud Party convention.

Under pressure from hard-line elements in the party, Mr. Shamir agreed to amend his election proposal, adopted by the Israeli cabinet on May 14.

The provisions stipulate that Palestinians living in Israeli-annexed East Jerusalem would not be allowed to vote, that representatives of the Palestine Liberation Organization would not take part in the negotiations and that no Palestinian state would be allowed to emerge as a result of the negotiations.

In reference to these conditions, the reporters were told: "Does this *drive us to the international conference formulation now?* The answer is no. We think it is better to continue trying to work with this. If we get stalemated and we can't make any progress, then maybe we have to say: 'O.K., we tried the elections proposal, and it didn't work. We'll look for other formulas.' But we are not at that point yet."

In its later years, the Reagan administration took the position that an international peace conference might be an effective vehicle for getting negotiations started, and it had support for such an approach from the Israeli Labor Party leader, Shimon Peres, who was then foreign minister.

The idea was that the five permanent members of the UN Security Council — the United States, the Soviet Union, Britain, France and China — would convene a conference that would include Israel, Syria, Egypt and a joint Jordanian-Palestinian delegation. The PLO would be allowed to contribute members to the Palestinian delegation.

In this approach, the conference would only provide a "ceremonial" opening for what would actually be negotiations between Israel and Syria, and between Israel and the joint Jordanian-Palestinian delegation.

The discussions about how such a conference might work were aborted, however, in December after Mr. Shamir became prime minister and Mr. Bush was elected president. Mr. Baker told the Shamir government that he was prepared to postpone any international conference, provided Israel came up with a credible peace proposal of its own.

ARAFAT: *PLO Leader, Faulting Likud Bloc, Calls Election Conditions a 'Deadly Blow'*

(Continued from Page 1)

could not take place before the Palestinian uprising, or intifada, had ceased, and, Jerusalem Palestinians could not vote because their part of the city had been annexed to Israel.

Mr. Arafat appeared serene but somewhat despondent as he toyed with his tape recorder.

The interview began at 2:30 A.M. in a heavily guarded villa. The simple office was decorated with a poster bearing the name of God in silver-plated Arabic characters.

Mr. Arafat spoke in Arabic, leaving little ambiguity about the *meaning of his words, the depth of* his disappointment with the United States or his conviction that unless U.S. pressure was brought to bear on Israel to ease suppression of Arab protesters, the peace process might be coming to a halt.

He also hinted that the PLO's commitment to resistance to Israeli occupation without use of firearms had limits. This is especially true, *he said, in view of growing brutality* as armed Jewish settlers join the Israeli Army in shooting at Palestinians.

Mr. Arafat's indicated that the phase of discussing elections had ended and that it was time for the United States to look at the Palestinian idea of holding an international peace conference for direct talks between Israelis and PLO representatives.

Mr. Arafat and other Palestinian leaders interviewed in Tunis over the last two days described the PLO dialogue with the United States as a *ceremonial exercise* that had achieved little.

"The meetings here will continue only depending on the United States president's actions," Mr. Arafat said. "Does Mr. Bush really want peace and will he carry out the commitments made to us in Geneva?"

His reference to Geneva involved mediation last year by Sweden that led to the PLO's renunciation of terrorism and a related U.S. decision to start a dialogue with the PLO.

Mr. Arafat repeatedly suggested that the United States had failed to fulfill its part of what he called a secret agreement. He would not elaborate on what that agreement entailed.

Some senior Palestinian officials suggested that there had been a U.S. promise to nudge Israel toward evacuating part of the occupied territories. Other Palestinians said they believed nothing specific had been promised.

U.S. officials in Tunis would not comment on the suggestion that promises had been made to the Palestinians.

Mr. Arafat suggested that there was ill will toward the PLO at the highest level of the Bush administration.

He singled out Deputy Secretary of State Lawrence S. Eagleburger, *and said he had been reliably told* that Mr. Eagleburger had vowed that as long as he remained in office no senior U.S official would meet with Mr. Arafat.

"With what authority does Eagleburger say *that?*" Mr. Arafat asked. "Eagleburger and others must understand I am the leader of the Palestinian people, and I am not begging for a meeting with any of them."

Mr. Arafat refused to comment on an incident last week in which 14 people were killed on an Israeli bus when a Palestinian grabbed the steering wheel and swerved it into a ravine. But he seemed to link it to actions by Jewish "settlers and vigilantes."

"We have not so far given any orders to use weapons," Mr. Arafat said. "But I have said many times before that patience has a limit in the face of crimes committed by settlers and the army against our people."

■ Israel Urges No Reprisals

Prime Minister Yitzhak Shamir's government urgently appealed to Israelis on Sunday to stop attacking Arabs to avenge the killing of 14 Jews on a bus, Reuters reported from Jerusalem.

But reprisal attacks, which have killed one Palestinian and wounded a dozen, continued for a third day after the funeral of one of the bus victims.

"The government deplores irresponsible acts by Jews out of the bitterness of their hearts," a cabinet communiqué said. "These things must not occur."

The Israeli Army destroyed the home of Abdel Hadi Suleiman Ghanem, 25, the Palestinian who grabbed the steering wheel of the bus, the armed forces radio said.

BUSH: *In Warsaw*

(Continued from Page 1)

communicate messages of economic and political freedom in a way *that is strong but not provocative.*

"The president does not want his presence in Poland or Hungary to in any way be precipitous of demonstrations that are not productive," said Stephen Studdert, the presidential assistant who has planned the trip's events.

Administration officials say that suddenly the possibility of ending postwar divisions does not seem so distant and that the president will commit himself on his trip "to a new and intensified level of American engagement in the future" of Eastern Europe.

"Eastern Europe, as The New Yorker has put it, is where the wars come from," a senior administration official said.

In a news conference last week with foreign journalists, Mr. Bush said he would offer a siren song to the Soviet Union's satellite countries, to encourage "a little more democracy, a little more freedom, a little more openness."

But Mr. Bush's cautious side emerged in an interview with Hungarian journalists made public Saturday, when he indicated he would exercise the same sort of restraint in Eastern Europe as he showed recently in his dealings with a repressive Chinese leadership confronted by pro-democracy demonstrations.

Mr. Bush will begin his first full day in Warsaw on Monday by laying wreaths at the Tomb of the Unknown Soldier and *at Umschlagplatz*, a monument commemorating Jews who died in the Warsaw ghetto.

He will meet with General Jaruzelski at Belvedere Palace and then *address the first joint session* of the Polish National Assembly, the first freely elected congress in postwar Poland.

The audience will be made up both of Communists and representatives of the once-outlawed Solidarity union. Mr. Bush will be host at a luncheon for government and opposition leaders.

On Tuesday, after lunch at the home of Mr. Walesa in Gdansk, they will visit a workers' monument outside the Lenin Shipyard.

WORDS: *Revolutionary Lexicon*

(Continued from Page 1)

institutions, came from Britain. The United States, which had held *its Constitutional Convention* in 1787, gave France the Revolutionary *convention*.

Loan words from England included the French *vote, club* (then pronounced clenb, now pronounced cloob), *coloniser* and *jury*. The French word *niveleur*, used frequently from 1789 to 1795, was a literal translation of the 17th-century populists known as levelers. *Verdict* was taken from the English, which had taken the word from Old French, and *petitionner* also came back from England in the sense of *making a demand, less humble* than such pre-Revolutionary words as *suppliquer* with its connotation *of begging for a favor rather than* demanding that rights be fulfilled.

New words covered a range of innovations, from the short-lived *annuaire*, or Revolutionary calendar, to the durable conversion to the metric system and to a single currency called the *franc*. The old word *suspect*, formerly only an adjective, gained ominous weight as a noun. Women who knit, *tricoteuses*, cast a chill when they became the bloodthirsty harpies known as the *tricoteuses de Robespierre*.

The old word *nation* gained new meaning, along with *patrie*, when it replaced *royaume* (Cellard says *nation* is essentially bourgeois while *patrie* is proletarian). Both were used in preference to France, with its connotations of hereditary Frankish rulers. The word *contribution* replaced *impôt*, with its sense of imposition, as the word for tax, a euphemism that continues today.

Terreur or terror took on a new *meaning and a capital T, the meaning* interestingly created by the Terror's instigators rather than its victims, who were *said to number* between 16,000 and 17,000. The word *épurer*, or to purify, assumed a political resonance savagely revived during the *épurations* of suspected collaborators after World War II. *Baignade*, a dip or a bath, which has had a pleasant bucolic meaning since the mid-19th century, referred in the Revolution to the drowning of opponents, often priests.

The phrase *ancien régime* appeared very early, in November 1789, and became current by 1792. Toqueville's "L'Ancien Régime et la Revolution" (1856) marked the official entry of the phrase into the French vocabulary. The words *"nouveau régime,"* on the other hand, appeared rarely during the Revolutionary period and never afterwards. There were too many *régimes* between 1789 and 1889, Mr. Cellard says, to make it possible to speak of them in the singular.

PARIS: *Bicentennial Controversy*

(Continued from Page 1)

weekly Le Pèlerin, about two-thirds of those questioned had little or no interest in the bicentennial and felt that the costly celebrations were unjustified. Although Mr. Attali refused to disclose the total officially, bicentennial and summit meeting costs have been estimated at more than $30 million.

Whatever the price, Mr. Bush and his fellow summiteers will take part in high-flying ceremony in which the bicentennial overlaps elegantly into affairs of state.

They will meet and dine under I.M. Pei's glass pyramid at the Louvre and on the 35th floor of the futuristic Arche monument that *juts out of the western end of a* celebrated perspective beginning at the Louvre, running up the Champs Elysées through the Arc de Triomphe to the business district at La Défense.

But *dinner on July 14 has* become one of the most widely criticized events, at least in the press.

After playing host to all of his guests at lunch earlier in the day, following the traditional military parade, *Mr. Mitterrand* has invited only his six summit meeting partners to dine in the Navy Ministry *overlooking the Place de la Concorde*, from where they will view a spectacular evening parade. This has been dubbed the rich countries' dinner.

As the madcap bicentennial show, produced by advertising star Jean-Paul Goude, rocks into the square around midnight, the other leaders will be finishing a second-stringer's meal with Mr. Mitterrand's wife, Danielle, and Prime Minister Michel Rocard at the nearby Hôtel de Crillon. Despite the Crillon's prestige, this has been dubbed the poor countries' dinner.

"Just having the powerful and the miserable dine separately is sufficient to make a question of protocol take on airs of Ancien Régime etiquette," said Jean-Michel Helvig in the Paris daily Libération.

JAPAN: *Another Stumble*

(Continued from Page 1)

deeply apologize for any inconvenience I have caused."

But although the retraction appeared likely to keep the controversy from boiling over, the episode seemed certain to further damage party support among female voters in a national election on July 23.

The party already has suffered as a result of a major bribery scandal that forced out one prime minister, a sex scandal involving the new prime minister, Sosuke Uno, and the imposition of a consumption tax that is extremely unpopular.

Ms. Doi responded to Mr. Horinouchi's comments by saying voters would render their judgment in the election. Women's groups attacked Mr. Horinouchi's remarks but stopped short of demanding his resignation.

Liberal Democratic Party leaders were *chagrined over the incident.* The party secretary-general, Ryutaro Hashimoto, called Mr. Horinouchi's remarks "very regrettable," and Mr. Uno told reporters that he had ordered all cabinet ministers to show sensitivity in their public comments.

80 Die in Ugandan Capsizing

KAMPALA (Reuters) — Eighty persons drowned when a canoe capsized while crossing the northern end of Lake Albert, Ugandan police sources said Sunday.

ALARM: *San Diego Squirms as Los Angeles Elbows In*

(Continued from Page 1)

ums" issue has smoldered there for decades.

San Diego once competed with Los Angeles for metropolitan preeminence in Southern California. "Suddenly we woke up and said we're glad everything bypassed us," said Otto Bos, an aide to Senator Pete Wilson, a Republican and a former San Diego mayor.

The only thing stopping developers from creating one big metropolis stretching from Santa Barbara to the Mexican border is Camp Pendleton, the sprawling Marine Corps training base that hugs the Pacific Ocean and hills just north of San Diego.

"The marines are the best bet for keeping developers out, because they've got guns," said Don Wood, president of Citizens Coordinate for Century 3, San Diego's oldest urban planning group. It and others are part of a growing movement to put a permanent buffer between the two cities.

The group, fearful that the marines may someday retreat, has asked Congress to designate the 125,000-acre (50,500-hectare) base as a permanent park if the retreat should ever come.

Even stronger measures are urged by another group, PLAN, or Prevent Los Angelization Now. It is seeking a voter-*initiated* referendum to compel developers to pay the full costs of growth by building schools, roads, *libraries* and other necessities to keep pace with new housing.

What particularly *enrages* PLAN's chairman, Peter Navarro, an economist at the University of *California at* Irvine, is "cut and fill" development, in which the tops of hillsides are cut off and used to fill in canyons to provide a table for high-density "condo farming."

Since 1960, San Diego has grown from a sleepy U.S. Navy city of 573,000 to the sixth-largest in the country, local officials say. The latest figures, they add, show that San Diego has overtaken Detroit.

As local resistance increases and land becomes more scarce, the fastest growth is now in such places as Marcos, Vista and Carlsbad, north of the city in San Diego County.

The city itself, says its architect, *Michael J. Stepner*, is about $1 billion behind in building parks, roads and firehouses.

In November, a *badly splintered* slow-growth movement put four competing growth-control measures on the ballot. None passed, but the pressure keeps growing.

"If development were more sensitive, not encroaching on San Diego's uniqueness, there would be less anger," said Barbara J. Bamberger of the San Diego chapter of the Sierra Club.

In a battle laden with symbolism, Mayor Maureen O'Connor is leading local forces trying to prevent the Los Angeles-based SCEcorp from taking over San Diego's largest local corporation, the San Diego Gas & Electric Co.

Meanwhile, Angelenos can be forgiven if they get confusing signals.

Even as some San Diegans try to repel them, the San Diego Convention and Visitors Bureau welcomes them. It runs radio spots in Los Angeles in which a man and woman caught in a freeway traffic jam muse about San Diego.

"It's just my way of keeping calm," says the woman. "I think about San Diego."

The man responds: "You too? I think about it every day at work. The boss gets on my tail, I just think San Diego."

Woman: "I didn't think you were *the metaphysical type.*"

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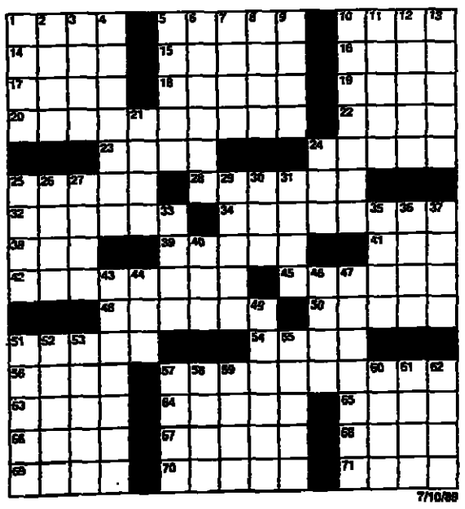

7/10/89

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Solution to Friday's Puzzle

Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01 323 11 30
Prices may vary according to market conditions and other factors.

July 6

Dollar Straights

Issuer	Cpn	Mat	Price	Yld Mat	Spd Trsy
Far East					
Toyota Motor	8	91	98¾	9.04	+93
Toyota Motor	8	91	98⅝	9.04	+93
Dai-Ichi Fin	8⅛	91	98½	9.09	+98
Toyota Motor	8¼	91	98¾	9.02	+91
Toyota Motor	10¼	91	102¼	8.84	+73
Toyota Motor	8¾	91	99½	8.99	+89
Dkb Asia	8⅛	91	98¾	9.06	+96
L T C B	8	91	97⅞	9.11	+100
Sumit Trust 2	7¾	91	97¼	9.07	+97
Nip Credit	7½	91	96½	9.14	+104
Toyota Motor	9½	91	101½	8.77	+67
Ind Bk Jap	7⅞	92	96½	8.97	+87
Mitsub Cor	7¼	92	96⅛	9.01	+91
Toyota Motor	7⅞	92	95⅞	9.01	+92
Sumit Bank	7½	92	96⅜	9.07	+98
Panasonic	9	92	100½	8.83	+74
Dai-Ichi Kb	9⅜	92	102.050	8.84	+75
Ibj Finance	9⅜	92	102⅛	8.80	+71
Sumit Bank	9⅜	92	102.050	8.84	+75
L T C B	9¼	92	100⅞	8.90	+82
Metro Tokyo	9½	93	102¼	8.69	+61
I B J Fin	9⅜	93	102½	8.73	+65
Nip Credit	9⅞	93	102⅝	8.96	+87
L T C B	8⅞	93	98⅞	8.96	+88
Ind Bk Jap	10	93	104⅝	8.48	+40
L T C B	8	93	96⅝	8.99	+91
Nip Credit	10¼	93	104¼	8.89	+81
L T C B	9⅞	93	103⅛	8.87	+79
L T C B	7¾	93	95⅞	9.07	+99
L T C B	9⅜	93	101⅝	8.87	+79
Metro Tokyo	9⅛	93	101¾	8.59	+51
Ind Bk Jap	8	93	96⅝	8.96	+88
Nip Credit	8	93	96½	9.08	+100
Osaka Prefect	9⅝	93	102⅝	8.66	+58
Tokyo El P	9¾	93	102⅞	8.88	+80
N C B	9¾	93	102¾	8.94	+86
Dkb Asia 2	8	93	96⅜	8.97	+89
Jap Dev Bk	9⅝	93	103	8.73	+65
Fuji Intl Fin	9¼	93	100⅞	8.95	+87
Sumit Bank	9⅝	93	101½	8.91	+83
Bk Tokyo	8	93	96⅜	9.04	+96
Mitsub Fin 2	7⅞	93	95⅞	9.02	+94
Taiyo Kobe 2	7¾	94	95¼	9.05	+97
Jap Dev Bk	8	94	97⅜	8.67	+59
Metro Tokyo	9⅛	94	102⅝	8.64	+56
Jap Dev Bk	8⅝	94	100⅝	8.66	+58
Osaka Prefect	10⅝	94	107⅛	8.63	+53
Nip T&T	9⅝	95	102⅞	8.69	+56
Jap Fin Corp	9¼	95	102¼	8.71	+58
Nip T&T	9½	95	103⅛	8.71	+55
Nip Credit	10⅝	95	106.050	9.02	+86
Jap Dev Bk	9⅝	95	103⅛	8.70	+51
Nip Credit	10⅝	95	107½	9.02	+82
Jap Highway	9⅝	96	103⅝	8.80	+59
Jap Fin Corp	9⅞	96	105⅛	8.80	+59
Kansai Elec P	10	96	104⅝	9.09	+86
Bk Tokyo	8⅝	96	96½	9.06	+85
Jap Dev Bk	10	96	106	8.79	+55
L T C B	8	96	94⅝	9.10	+86
Metro Tokyo	8¾	96	97	8.81	+58
L T C B	8	97	94⅛	9.10	+86
Ind Bk Jap	7⅞	97	94	8.97	+74
Nip T&T	9⅝	98	103⅝	8.77	+53
Exp Imp Jap	9½	99	104½	8.77	+53
Exp Imp Jap	9¾	99	106¼	8.78	+54
Jap Fin Corp	9⅞	99	106⅞	8.79	+55
Nip T&T	9	99	101⅝	8.80	+56
Kobe City	8⅝	99	100⅝	8.87	+58

Issuer	Cpn	Mat	Price	Yld Mat	Spd Trsy
United States					
A T & T	9	16	98⅝	9.16	+88
Aetna Life	9½	95	104¼	8.58	+39
Aetna Life	7¼	16	96⅝	8.74	+66
Amer Genl	8⅝	91	99½	9.11	+100
Amer Genl	9	94	99⅝	9.07	+98
Amer Genl	9¾	95	102⅝	9.16	+100
Amer Genl	8½	98	96¼	9.13	+89
Anheuser-Busch	9⅛	92	100½	8.90	+81
Bell South Cap	9¼	93	102⅛	8.62	+54
Betawest	10¼	92	103⅛	9.11	+102
Betawest	7¾	93	95¾	9.10	+102
Campbell Soup	8¼	91	98⅝	9.17	+106
Campbell Soup	9⅝	93	101⅝	8.70	+62
Campbell Soup	10½	95	103⅝	9.38	+129
Campbell Soup	7½	98	87⅞	9.22	+98
Chevron	10¾	91	101⅞	8.97	+86
Chevron Corp	8¼	96	96	9.05	+82
Coca Cola	8½	91	98⅞	9.09	+98
Coca Cola	8¾	92	99⅞	8.78	+69
Dupont	10⅝	92	103⅝	8.67	+58
Dupont	9	94	100⅝	8.78	+70
Eli Lilly	10¾	92	104	8.76	+67
Euro Cred Card	9¼	94	101⅞	8.92	+84
Exxon	10	91	102⅛	8.57	+46
Ford Motor Cr	8¾	90	99½	9.15	+104
Ford Motor Cr	7⅞	91	96⅞	9.13	+102
Ford Motor Cr	8	91	98⅞	9.03	+92
Ford Motor Cr	8⅝	91	99¼	9.05	+94
Ford Motor Cr	10½	91	102⅝	9.14	+104
Ford Motor Cr	9¼	92	101.050	8.83	+74
Ford Motor Cr	10	92	102⅝	8.82	+73
Ford Motor Co	11¾	92	106⅝	8.95	+86
Ford Motor Cr	9½	93	101⅝	8.97	+89
Ford Motor Cr	10	94	103⅞	8.95	+87
Ford Motor Cr	12	95	106¼	9.32	+122
Ford Motor Cr	9⅝	96	102¾	9.04	+82
Ford Motor Cr	11	96	109⅛	9.06	+85
G E C	10½	91	102⅝	8.72	+61
G E C	9⅝	96	102½	8.89	+66
Gen Ele Cap	7¾	91	98.050	9.01	+90
Gen Ele Cap	8¼	91	98⅞	8.96	+85
Gen Ele Cr 'A'	9½	92	99⅞	9.36	+125
Gen Ele Co	8	93	97⅛	8.92	+83
Gen Ele Cr Cor	8¾	93	98⅞	9.10	+101
Gen Ele Cap	9	93	100¾	8.76	+68
Gen Ele Co	9⅛	93	101⅝	8.63	+55
Gen Ele Cap	9½	95	102⅝	8.90	+73
Gen Re Corp	9⅝	92	102⅝	8.77	+68
GMAC	7⅝	91	97¼	9.08	+97
GMAC	8¾	91	99½	9.07	+96
GMAC	8⅞	91	99⅝	9.06	+95
GMAC	10	91	102¾	8.62	+53
GMAC	7⅝	92	96¼	8.97	+88
GMAC	9⅛	92	100⅝	8.88	+79
GMAC	9⅝	92	101⅛	8.97	+88
GMAC	10	92	101⅝	8.89	+78
GMAC	10¼	92	101⅞	8.96	+85
GMAC	8½	93	98¼	9.04	+96
GMAC	9¼	93	100⅝	8.99	+91
GMAC	9⅝	93	102⅝	8.81	+72
GMAC	8	94	96¾	8.83	+75
GMAC	10	94	103⅞	8.96	+88
GMAC	9	96	99½	9.10	+87
GMAC	9⅛	96	101.050	8.89	+67
I B M	8⅝	91	99½	8.88	+77
I B M	8⅞	91	100⅝	8.69	+58
I B M	9	92	101⅜	8.47	+39
I B M	9	92	101⅝	8.49	+40
I B M	9½	92	102	8.57	+47
I B M	10	92	103⅜	8.61	+52
I B M	10¼	95	104⅛	9.00	+91
I B M Cred	7¾	91	98⅝	8.82	+71
I B M Intl Fin	8¾	92	99⅝	8.66	+57
Kellogg	9⅛	91	100½	8.88	+78
Kellogg	9½	92	101⅝	8.74	+64
Liberty Mut	9⅛	93	100½	8.94	+86
Liberty Mut	8½	96	98⅝	8.82	+59
Lincoln Nat	9¾	95	102⅝	9.09	+71
Metlife	7¾	96	93⅝	9.08	+85
Mony Fund	8¼	96	95½	9.12	+88
Morgan Gty	7¼	91	96⅝	8.86	+76
Morgan J P	10⅝	92	104⅛	8.86	+78
New England	11⅝	95	108½	9.29	+120
Pepsico	7⅞	93	94¾	9.23	+114
Pepsico	8	93	96¼	9.22	+114
Prudential	7¾	91	97⅝	8.95	+84
Prudential	8	93	98⅛	8.52	+44
Prudential	8¾	94	100½	8.62	+54
Prudential	12⅛	95	109½	9.32	+124
S & S Fin Intl	10⅝	96	104½	9.24	+101
Utd Tech	11¼	92	104⅝	9.05	+95
Utd Tech	7¾	93	94⅝	9.06	+98
Utd Tech	10⅝	95	103¾	9.45	+137
Warner Lamb	8⅛	96	95½	9.03	+80
Xerox	10	93	102⅝	9.09	+101

Issuer	Cpn	Mat	Price	Yld Mat	Spd Trsy
Combined US$ Euros pre 1994					
Austri Control	10	91	102	8.48	+37
B F C E	7⅛	91	97	8.74	+64
Belgium 2	7⅞	91	97⅝	8.79	+68
Belgium 2	7¾	91	98⅜	8.75	+64
Belgium 2	8½	91	99½	8.78	+67
C C C E	7⅞	91	98¾	8.73	+62
C E P M E	7⅝	91	97½	8.72	+61
C N C A	7¼	91	96½	8.88	+78
C N T	7	91	96⅞	8.70	+60
Cr Foncier X/w	10⅝	91	103⅝	8.64	+53
Cr Lyonnais	9	91	100⅝	8.85	+74
Cr Natl	7¼	91	96⅞	8.70	+60
Denmark	8⅝	91	99⅝	8.77	+66
Denmark	8½	91	99½	8.78	+67

Issuer	Cpn	Mat	Price	Yld Mat	Spd Trsy
Caterpillar	n.a.0	94	66⅝	9.28	+82
Penney Jc	n.a.0	94	66⅝	9.33	+88
Gaz De Fra	n.a.0	94	67½	8.85	+40
Pepsico	n.a.0	94	67	9.02	+57
Gen Ele Cr Int	n.a.0	94	67⅝	8.88	+43
S E K Mar	n.a.0	94	67¼	8.89	+44
Ic Indust	n.a.0	94	54¼	13.47	+303
Sears May27	n.a.0	94	65	9.24	+80
Philip Morris	n.a.0	94	64⅝	9.31	+87
E D F	n.a.0	94	64⅝	8.79	+35
N I B	n.a.0	94	64⅝	8.91	+47
S E K Sep	n.a.0	94	64⅝	8.91	+47
Exportfin	n.a.0	94	64	8.92	+48
Sth Aust Govt	n.a.0	94	61⅝	9.42	+98
Deut Bk Fin	n.a.0	95	174	9.48	+103
Gen Ele Cr Int	n.a.0	95	61¾	8.92	+47
BP Capital	n.a.0	95	57⅞	9.02	+57
Florida Fed	n.a.0	95	58¾	9.26	+80
Marubeni	n.a.0	95	58¾	9.26	+80
Austria	n.a.0	95	60⅝	8.74	+30
Olymp York	n.a.0	96	52	9.85	+137
Gen Ele Cr Int	n.a.0	96	54⅝	8.96	+49
I A D B	n.a.0	96	50⅝	9.75	+128
I S E C Mar	n.a.0	97	48½	9.89	+142
Amer Medic	n.a.0	97	35	13.87	+541
SBC Fin	n.a.0	97	50	8.67	+20
Sears Jul	n.a.0	98	44⅝	9.31	+85
Denmark	n.a.0	98	46¼	8.88	+42
Prudential	n.a.0	99	45⅝	8.73	+27
New England	n.a.0	99	43¾	9.17	+71
Victorian P	n.a.0	99	41⅝	n.a.	
Amer Hospital	n.a.0	00	33	10.51	+205
Connect Mut	n.a.0	00	37½	9.19	+72
Amex	n.a.0	00	38¼	8.78	+32
Rockefeller	n.a.0	00	34½	n.a.	
Siemens W/W	n.a.0	01	63⅝	3.84	-442
Siemens X/w	n.a.0	01	36½	8.81	+35
Tsy Pfny Coupon	n.a.0	01	34¼	9.07	+61
Tsy Pfny Corpus	n.a.0	02	33⅝	9.00	+54
World Bk	n.a.0	02	30	9.51	+104

Mutual Funds

Figures as of close of trading Friday July 7

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc. are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

Fund	Bid	Ask
Bruce	90.36	90.36
Bull & Bear Gp:		
CaGr p	10.30	NL
StInc p	13.42	14.05
StInv p	17.85	18.69
StrW p	21.94	22.62
Tax Ex	12.57	NL
Thrd C	6.40	NL
USG In	12.69	NL
Eaton Vance:		
EVStk	14.15	14.86
GvtOb p	11.45	12.02
Grwth	7.97	8.37
IncBos	9.38	9.85
Invest	7.44	7.81
MunBd	9.25	9.71
Nautls	11.25	11.81
SpEqt	20.83	21.87
TotRt p	9.00	9.45
FrntR p	18.10	NL
Gwth p	9.92	NL
Inco p	7.94	NL
Specl	7.03	NL
Franklin Group:		
AGE	3.17	3.30
AdjMt	10.08	10.50
AZ TF	10.69	11.14
CalIns	11.30	11.77
CvtSc	9.78	10.19
DNTC	14.12	14.71
Equity	7.36	7.67
FedTx	11.44	11.92
FL TF	10.92	11.38
Gold	12.47	12.99
CusB4 t	6.41	6.41
CusK1 t	9.24	9.24
CusK2 t	7.35	7.35
CusS1 t	22.86	22.86
CusS3 t	8.57	8.57
CusS4 t	5.56	5.56
Intl t	7.18	7.18
KPM t	16.92	16.92
TxETr t	11.00	11.00
TaxF t	8.36	8.36
Keystone America:		
EqInt	10.79	11.07
GlbInc t	9.66	9.86
GovSc t	10.06	10.27
RealE	8.56	9.28
REInc	9.41	10.20
Stock	8.82	9.51
StrAll p	11.87	12.86
Tax Ex	10.12	10.60
TotRe	8.04	8.67
NatTele	17.15	18.01
Nationwide Fds:		
NatBd	9.48	10.16
NatFd	13.98	15.03
NatGt	9.41	10.17
TxFr r	9.55	9.55
Neuberger Berm:		
Genes	6.12	NL
Equit p	11.61	12.22
OddLot	43.71	43.71
US Gv p	6.65	7.00
SP IFG Fds:		
DEAF f	12.47	NL
IntMu f	10.10	10.10
TIF f	11.36	11.36
Safeco Secur:		
CalTF	11.42	NL
Equit	10.81	NL
Grwth	16.85	NL
Inco	15.79	NL
Munic	13.15	NL
Gwth	15.48	15.48
Muni	7.99	7.99
StStreet Resh:		
Exc	159.54	159.54
Grwth	91.80	91.80
Inv r	84.38	84.75
Steadman Funds:		
Am Ind	2.26	NL
Assoc	.75	NL
Invest	1.40	NL
Ocean	3.92	NL
Stein Roe Fds:		
Cap Op	25.80	NL
GvtPlu	9.81	NL

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INTERNATIONAL STOCK MARKETS

Declining Faith in Funds Pressures Tokyo Bourse

By KAREN LOWRY MILLER
Reuters

TOKYO — Individual investors, losing faith in Japan's stock investment trust funds, are looking for better returns outside the sluggish equities market. As a result, analysts said, the recent market slump caused by political scandals, a weak yen and rising interest rates is being prolonged.

In June, Japan's 13 investment trust companies set up trust funds with subscription goals totaling 1.55 trillion yen ($11.14 billion) in hopes of attracting cash from summer salary bonuses, brokers said.

But Investment Trust Association figures show funds collected by the trust companies totaled only 824 billion yen, or about 53 percent of the goal.

"For the trust funds, it's desperation time right now," said Craig Chudler, market strategist for Smith New Court.

More money is likely to be redeemed than invested, adding to the market's malaise.

A spot investment trust fund is a unit trust or mutual fund that accepts subscriptions once and is redeemed after a set period of time. They normally target a certain portion of subscriptions for stock investments, analysts said.

One foreign broker said a fund launched by the affiliate of a big Japanese brokerage raised only 11 percent of its target.

In June 1988, the spot funds aimed for 2.5 trillion yen and collected 1.73 trillion, analysts said.

"This year's targets weren't excessively ambitious," said Roger Gaugh, financial analyst for Baring Securities.

The trust funds may have looked for reduced investments in 1989, but the people buying them were even less interested than they had anticipated. In 1986 and 1987, when the stock market soared, individuals freely handed over their bonuses, analysts said.

But the market has languished as rising interest rates and a weak yen convinced many investors to yank cash out of stocks and stash it overseas or in domestic money market instruments.

At the same time, banks have stepped up competition with brokerage houses to attract money from bonuses, which average 400,000 yen. It looks like the banks are winning.

ONE NEW PRODUCT tempting individuals is a six-month money market certificate. These were launched with big advertising campaigns on June 5 by Japan's 12 city banks. With names like "My Way" and "Tomorrow," the certificates require a minimum of only three million yen, down from 10 million previously. They paid interest of 3.64 percent in June and 4.0 percent in July.

"This year, bonus money is buying cars or the MMC," said Pelham Smithers, market analyst with Yamaichi Securities Co. In June, the banks sold 400,500 six-month certificates totaling 1.55 trillion yen, industry analysts estimated.

"Individuals who buy stocks through funds are more risk-averse, so it's a logical consequence that they shy away and turn to fixed-return MMC," said Takaaki Yoda, senior portfolio manager for Daiwa International Capital Management.

This means trouble for the investment trust companies, because most of the spot funds set up in June 1987, about 2.46 trillion yen, were two-year funds now up for redemption. The new money falls short of covering the redemptions, exposing the funds to the danger of net asset outflows, analysts said. The new spot trust funds typically buy shares held by old funds as they are dismantled. But there is not enough new cash flowing in to buy those shares.

The trust fund companies decide the ratio of investment in equities, cash and bonds for each fund when it is set up. In effect, the investment trust companies are taking money in with the left hand and paying it out again with the right.

As trust fund companies reach their maximum allocations for equities, they may have to liquidate shares to fund redemptions, putting pressure on the market, analysts said.

Nobody expects a panic because the investment trust fund industry is highly regulated by the Finance Ministry. But some fear that if the funds do not concentrate more on recent efforts to attract money from institutions instead of just individuals, they could become net equity sellers.

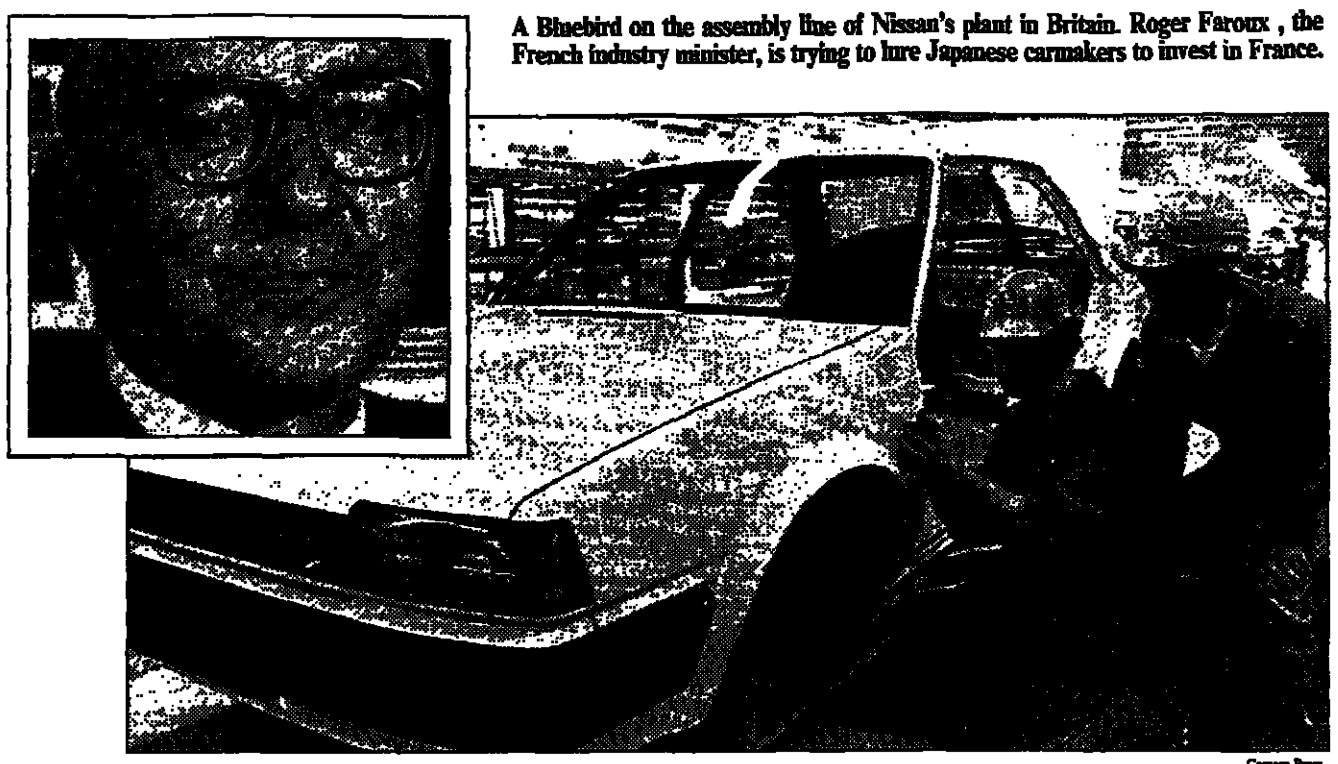
The malaise is likely to continue as long as the market looks sluggish. Brokers see the key 225-share Nikkei index, which rose 755.28 points last week, to 33,703.97, trading in a narrow range all summer.

"Retail salesmen in rural Japan are pushing these trusts on small businesses and housewives," one broker said.

Smith New Court figures show that in July, investment trust companies expect to set up 1.65 trillion yen worth of new spot trust funds, and a maximum of 955 billion could possibly go into stocks. "The minimum, remember, is zero," Mr. Chudler said.

Carl Gewirtz was away last week.

A Bluebird on the assembly line of Nissan's plant in Britain. Roger Faroux, the French industry minister, is trying to lure Japanese carmakers to invest in France.



Camera Press

France Now Woos Japanese Automakers

By Jacques Neher
International Herald Tribune

PARIS — Only recently considered antagonistic to investments by Japan's automakers, France is now turning on the charm to lure them and their suppliers to French soil.

But it will not be an easy sell, say analysts, who predict that it may take at least several years of good will and proven experience with smaller ventures before the Japanese car companies will be willing to take a chance on a major, stand-alone plant in France.

One such smaller venture could involve a link between Toyota Motor Co. and the state-owned Renault.

After setting the new tone in comments to the French press in the past month, Roger Fauroux, the French industry minister, this month is to take his sales campaign to Tokyo, where he plans to meet with top industrial executives and government officials. The object, said a spokesman, will be "to convince them that France welcomes Japanese investments."

Such a policy would have been unthinkable only a year or two ago, especially as it concerns the automobile industry, where the interests of protecting Renault and the privately held Peugeot SA have far outweighed any perceived benefits from Japanese investments.

Though it has opened its doors to relatively small investments by Sony Corp., Akai Electric Co. and JVC in the consumer electronics sector, France has not been willing to entertain the prospect of major Japanese automakers setting up plants to compete with its domestic industry.

In fact, it has not been open to any foreign-owned plants. In 1978, for example, the government opposed a plan by General Motors Corp.

See FRANCE, Page 9

Time-Paramount Case: 'Of Major Significance'

Reuters

PHILADELPHIA — The media giants Time Inc. and Paramount Communications Inc. are to face off Tuesday in a Delaware court hearing that could decide the fate of their takeover battle and influence future corporate takeovers and mergers.

The hearing before Judge William Allen of the Delaware Chancery Court involves two points: Paramount's bid to block Time's $14 billion offer for Warner Communications Inc. and Paramount's effort to dismantle Time's takeover defenses. Paramount has bid $200 a share, or $12.2 billion, for Time.

Both analysts and academics said the case centered on two questions: Whether Time's previous agreement to merge with Warner in a stock transaction constituted a sale of Time, and whether Time's later tender offer for Warner was an excessive reaction to the Paramount bid.

Delaware courts have ruled previously that a company up for sale must auction itself to the highest bidder and that defensive measures must be reasonable to the threat posed.

"The outcome is really rough to call, and the market is telling us there is no clear-cut prognosis," said Provident National Bank's media analyst, Bruce Thorp, who noted that the price of Time's shares, which closed Friday at $151.

Some observers said that Paramount's case appeared to be strong since the original Time-Warner merger would have left Warner stockholders with 62 percent of Time.

But Bernard Black, a Columbia University associate law professor, said that Time's offer for Warner appeared to be legally acceptable since it was within the range of Warner's estimated value and "is not a scorched-earth defense, where you go and do something stupid just to deter a takeover."

If the ruling goes against Time, Mr. Black added, "there is no question this is a case of major significance — if you are going to say it is a sale when a merger is 60-40, you are going to make it hard" to merge through a stock swap.

But Donald Pease, corporate law professor at the Delaware Law School of Widener University, said while the case was important, "the court will interpret the law as it is." Citing what he said was Delaware's ample case law on takeovers, he said, "I do not see any basis for saying that new law will be established."

EC Officials Criticize Pacific Trade Proposal

Compiled by Our Staff From Dispatches

BANDAR SERI BEGAWAN, Brunei — An Australian proposal for an economic group linking nations of North America and the Asia-Pacific region came under fire from West European officials on Sunday.

Edwige Avice, a French Foreign Ministry official expressed surprise over reports that Australia had ruled out membership in such a group for European Community nations.

Mrs. Avice, who was returning to France after attending three days of meetings in Brunei, said in Singapore that 20 percent of foreign investment in the Asia-Pacific region came from EC countries, and that this made the European Community a partner in the region.

"We do not like the creation of a trading bloc," she said.

Another EC official, who asked not to be named, said after the meeting, "Our message to Australia is a storm warning. If they go ahead with the plan, there will be a storm."

Officials from the European Community and Australia argued over the proposal at meetings on Thursday, Friday and Saturday. The Association of Southeast Asian Nations, or ASEAN, as well as the United States, Japan, Canada, New Zealand and the European Community, took part. The talks were held after an ASEAN meeting earlier in the week.

Australia has suggested that the six ASEAN nations — Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand — as well as the other non-European nations and South Korea, send economic ministers to an exploratory meeting in November in Canberra.

Australia sees itself and those countries forming the core of a group that would coordinate trade policies and include them in discussions of the General Agreement on Tariffs and Trade.

EC officials said that if the proposed group included the United States and Japan, it could give rise to a trade bloc that might restrict free trade and dominate the world economy.

But the Australian minister of foreign affair and trade, Gareth Evans, said that the group would be "unequivocally committed to the principles of multilateral liberalized trade." He also said that membership should be confined to Asia-Pacific nations.

The Australian proposal was put forward earlier this year when the United States and Canada signed a free-trade agreement and the European Community was pushing ahead with plans to merge into a single market by the end of 1992.

The United States and Japan also have made proposals for a new forum on economic cooperation for the Asia-Pacific region.

Diplomats said Australia faced an uphill task of assuring the European Community that the proposal would not lead to two rival economic groups, each adopting defensive trade policies. *(Reuters, AFP)*

■ Canberra Firm on Rates

It would be irresponsible for the Australian government to bring interest rates down suddenly, the minister of industry, technology and commerce, John Button, said Sunday, Reuters reported from Canberra.

In a television interview, Mr. Button acknowledged public dissatisfaction over interest rates, which for home loans reach up to 18 percent, but he said that tight fiscal, wages and monetary policies would have to be continued until demand tapered off.

Currency Rates

Cross Rates

July 7

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.129	3.4515	1.1273	0.3325	0.1554 *	—	5.384 *	1.3106	1.524 *
Brussels(a)	39.54	64.89	20.937	6.1735	2.8856 *	18.5725	—	24.3435	0.2832
Frankfurt	1.8881	3.062	—	0.2949	0.1379 *	0.8872	4.776 *	1.163	1.3525 *
London (b)	1.6255	—	3.0595	10.3885	2,219.58	3.4505	64.215	2.6298	226.88
Milan	1,371.58	2,220.80	725.74	214.09	—	643.91	34.454	843.33	9.812
New York(c)	—	1.6295 b	1.8715	6.3535	1,358.00	2.108	39.115	1.6104	139.20
Paris	6.4045	10.3835	3.3916	—	0.4676 *	3.009	0.162	3.9441	4.588 *
Tokyo	139.20	226.42	73.92	21.82	0.1022	65.63	3.5375	86.30	—
Zurich	1.6218	2.633	0.8609	0.2537	0.1188 *	0.7638	4.1039 *	—	1.1621 *
1 ECU	1.0957	0.6765	2.0712	7.0042	1,500.49	2.3348	43.3682	1.7782	152.484
1 SDR	1.2743	0.7859	2.4061	8.1615	N.Q.	2.7131	50.387	2.0695	177.578

Closings in London, Tokyo and Zurich, fixings in other centers. New York closing rates.
*a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	250.00	Fin. markka	4.264	Mex. peso*	2503.00	S. Afr. rand	2.695
Austral. $	1.306	Greek drac.	163.02	N. Zealand $	1.73	Soviet ruble*	0.6426
Austr. schil.	13.28	Hong Kong $	7.797	Nig. naira*	5.2995	Span. peseta	118.60
Brazil cruz.	1.75	Indian rupee	16.23	Norw. krone	6.934	Swed. krona	6.4525
Canadian $	1.1915	Indo. rupiah	1758.00	Phil. peso	20.83	Taiwan $	25.64
Chinese yuan*	3.7221	Irish £	0.7072	Port. escudo	158.00	Thai baht*	25.62
Danish krone	7.3375	Israeli shek.	1.94	Saudi riyal*	3.7495	Turkish lira	2121.02
Egypt. pound	2.5582	Kuwaiti dinar*	0.2931	Sing. $	1.9605	UAE dirham*	3.669
		Malay. ring.*	2.6855	S. Kor. won	659.32	Venez. boliv.	37.80

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6162	1.6099	1.6047	Canadian dollar	1.1944	1.1973	1.2001
Japanese yen	139.01	138.55	138.19	Swiss franc	1.6189	1.6162	1.6139
Deutsche mark	1.8821	1.8787	1.8757				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

	July 7	June 30	Ch'ge
United States			
DJ Indus.	2,487.86	2,440.06	+ 1.96 %
DJ Util.	212.02	209.70	+ 1.11 %
DJ Trans.	1,200.84	1,148.77	+ 4.53 %
S & P 100	300.77	294.88	+ 2.00 %
S & P 500	324.90	317.99	+ 2.17 %
S & P Ind	370.87	363.48	+ 2.03 %
NYSE Cp	217.04	177.92	+ 1.99 %
Britain			
FTSE 100	2,189.10	2,151.00	+ 1.77 %
FT 30	1,816.60	1,784.50	+ 1.80 %
Japan			
Nikkei 225	33,703.97	32,948.69	+ 2.29 %
West Germany			
Commerzbk	1,854.10	1,825.00	+ 1.59 %
Hong Kong			
Hang Seng	2,375.94	2,273.91	+ 4.49 %
World			
MSCIP	511.40	498.40	+ 2.61 %

World Index From Morgan Stanley Capital Int'l.

Money Rates

	July 7	June 30
United States		
Discount rate	7.00	7.00
Federal funds rate	9.00	9¼
Prime rate	11.00	11.00
Japan		
Discount	3¼	3¼
Call money	5.00	5.00
3-month interbank	5⅝	5⅝
West Germany		
Lombard	7.00	7.00
Call money	6.90	7.05
3-month interbank	7.05	7.10
Britain		
Bank base rate	14.00	14.00
Call money	13¾	13⅞
3-month interbank	14.00	14⅛

Gold	July 7	June 30	Ch'ge
London p.m. fix.$	383.55	373.00	+ 2.83 %

Key Agreements Cited in Talks On Mexico Debt

Compiled by Our Staff From Dispatches

NEW YORK — Negotiators for Mexico and the commercial banks that lend to it have tentatively agreed on important elements of a plan to reduce the burden of Mexico's foreign debt and are close to a final accord, bankers said over the weekend.

In their first official comment since intensive talks started last week, the negotiators said Saturday they had made substantial progress and were near agreement in principle on options that would provide Mexico with "financial benefits in excess of $3 billion annually."

Mexico had asked for $4 billion to $4.5 billion a year; the banks' initial offer was less than $2 billion.

Mexico's foreign debt to banks and governments is more than $100 billion. The current bank negotiations, which started in mid-April, involve $54 billion of that amount.

The statement issued over the weekend said details of the package would be worked out when talks resumed Monday. It was not clear whether a final agreement would be be in hand for President George Bush to take to the seven-nation economic summit meeting set for Friday in Paris.

The U.S. government has been pushing for an agreement so it can counter criticism that its new approach to resolving the Third World debt crisis is not working. The new policy, devised by Treasury Secretary Nicholas F. Brady, emphasizes the reduction or forgiveness of existing loans as a way of lowering the $1.3 trillion debt burden on developing countries.

The U.S. Treasury Department welcomed the progress in the talks. "We are encouraged by these developments and the plan to resume discussions next week," a Treasury spokesman in Washington said Saturday.

The Mexico debt negotiations, which represent the first test of the new policy, have been closely watched because any agreements would set a standard for talks with other countries.

The Treasury was said to have increased pressure for a settlement in recent days, and the chairmen of most of the 15 banks on the negotiating committee attended talks last week.

Bankers involved in the debt discussions said negotiators had tentatively been agreed on many crucial elements of the plan, including three major options for banks.

The options include a swap of discounted debt for bonds that pay a market interest rate, currently about 10 percent.

Other debt that will not be discounted will be swapped for bonds with no reduction of face value but a discounted interest rate of 6.25 percent.

The final option will allow banks to lend new money for four years at the rate of 6.25 percent per year of the bank's current outstanding loans to Mexico. For example, if the bank currently has $1 billion of outstanding loans, it would be required to lend $250 million over the next four years.

One banker who asked not to be named said that some major issues were unresolved. "There are still some major stumbling blocks," he said, without giving details.

The official statement by negotiators was issued after two long sessions in New York attended by the top executives of the 15-bank committee and Mexico's negotiators, including Finance Minister Pedro Aspe. The latter session, which started Friday, ended at 5 A.M. Saturday. *(NYT, Reuters)*

For G7, Dollar Did the Right Thing

Reuters

LONDON, — Right on cue for this week's economic summit meeting in Paris, the dollar has declined from two-and-a-half-year highs to a level at which the leaders of the world's seven biggest industrial democracies can all feel at ease.

Far from having to grapple with a perennial currency crisis, leaders and finance ministers are already indicating they will be happy to maintain the status quo when they gather on Friday, the 200th anniversary of the storming of the Bastille.

But economists say that the now-familar communiqué language, committing the Group of Seven nations to currency stability, is unlikely to impress volatile foreign exchange markets, and that the statement will gloss over fundamental policy questions.

"The leaders will be able to declare a victory in the battle for currency stability," said Jonathan Wilmot, an economist at Credit Suisse First Boston in London. However, some economists maintain, it will be a hollow victory that could undermine the group's goal of redressing huge global trade imbalances and, in the long run, destabilize markets.

Leading up to the meeting, central bankers from the West's 10 leading industrialized nations will meet Monday in Basle to coordinate policy on interest rates.

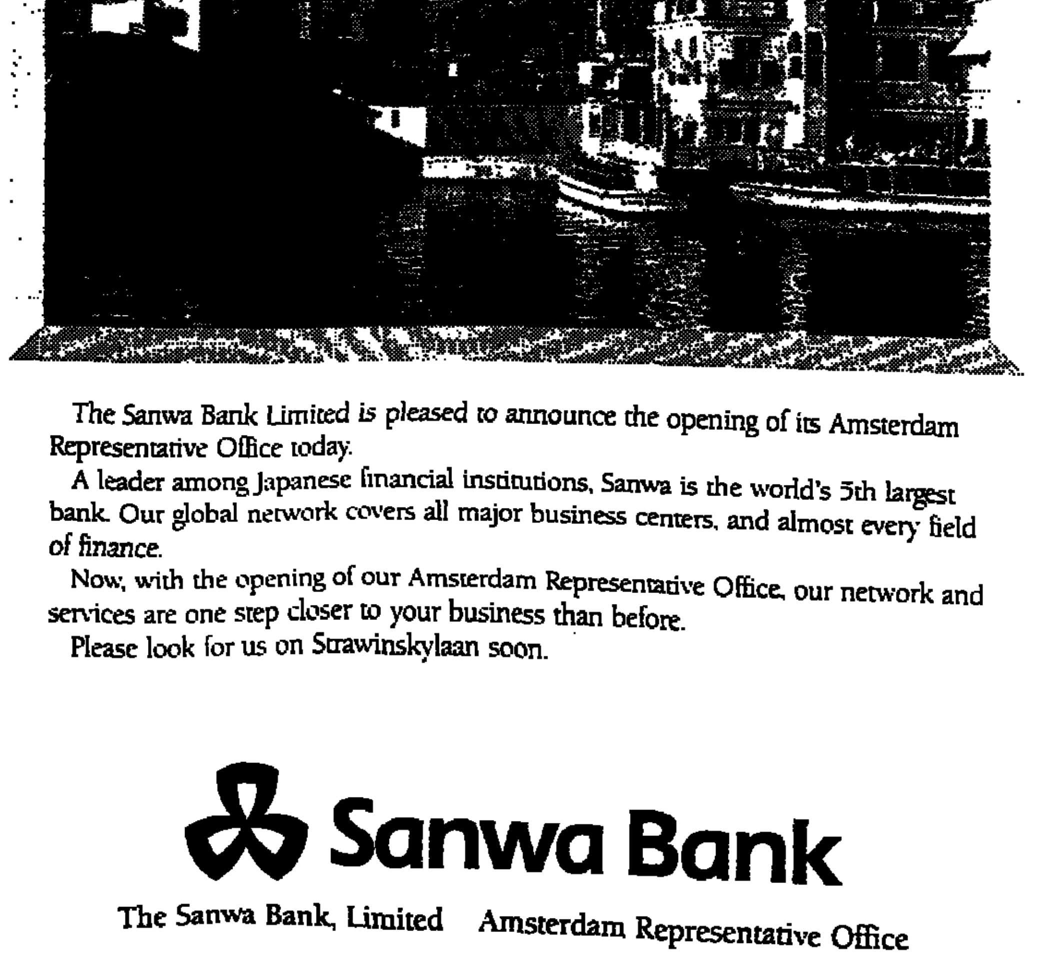
On Tuesday, representatives of European Community central banks will gather to start the detailed application of plans for West European economic and monetary union.

Until last week, 1989 looked like the year in which the Group of Seven — the United States, Japan,

See DOLLAR, Page 9

A new window on the financial world

Sanwa Bank opens its Amsterdam Representative Office today



The Sanwa Bank Limited is pleased to announce the opening of its Amsterdam Representative Office today.

A leader among Japanese financial institutions, Sanwa is the world's 5th largest bank. Our global network covers all major business centers, and almost every field of finance.

Now, with the opening of our Amsterdam Representative Office, our network and services are one step closer to your business than before.

Please look for us on Strawinskylaan soon.

Sanwa Bank

The Sanwa Bank, Limited Amsterdam Representative Office

WTC-Strawinskylaan 1447, 1077 XX Amsterdam, Netherlands.
Telephone: 31-20-753111 Telefax: 31-20-754731 Telex: 18496 SANWA

NASDAQ National Market

OTC Consolidated trading for week ended Friday, July 7

	Sales in 100s	High	Low	Close	Net Chg
A					
A&W Bd		43/8	2 7/8	2 7/8	+ 1/8
ABS s	.22 3.9	16	8 3/4	8 3/4	— 1/8
ABSD	23	3 1/4	3	3	
ACC Cp	.09e 1.5	8	6 3/4	6 3/4	+ 1/8
ADC		43	15 3/4	15 3/4	+ 3/8
ADT		68	28 1/4	27 3/8	+1 1/8
AEP		383	7 3/8	7 1/2	— 1/8
AEP		197	14 3/8	15 3/4	+ 1/4
AIRCOA		24	3/8	2 1/2	— 1/8
ALCh		842	4 1/8	3 7/8	+ 1/8
AME		309	10 3/8	10	+ 1/8
ASK		2499	13 3/8	13 1/2	+ 1/8
AST		4430	9 1/2	9 3/4	+ 1/8
AamRI	.10 .8	39	13	12 3/4	+ 1/8
AbingS	.32 2.9	39	8 1/4	7 3/4	
Acadia		1257	1 3/8	1 3/8	— 1/8
Accel	1	94	7 1/8	6 7/8	+ 1/8
Acmelin		113	17 1/2	17	+ 1/8
Acsto	.16b 1.0	18	15 1/4	14 1/8	+ 1/8
AcmeSt	.85e 2	168	21	20 1/4	21 + 1/8
ActARt s		810	18 1/4	17 3/4	+ 1/8
ActnSv	.32e 2.8	23	11 1/4	10 3/8	11 1/4 + 1/2
ActAuSt		253	5 3/4	4 3/8	+ 1/8
Actmed		223	14 1/8	14 1/8	
ACtion		175	17 3/4	17	17 3/4 + 3/8
AdacLb	.16 3.2	2967	5 1/8	4 3/8	5 — 1/8
Adage		269	1 3/8	1 3/8	1 3/8 — 1/8
Adapt		4131	13 3/8	13 1/4	13 3/8 +2 1/8
Adinet s		671	18 1/4	16 3/4	18 1/4 +1 1/4
AdiaSv	.14 .6	1142	24 1/2	23 3/4	24
AdobeS s	.14f .4	15651	27	22 1/2	24 1/2 —2
Adtec		228	3 3/4	2 7/8	3 — 1/8
AdvCir		475	5 3/4	5 1/4	5 1/4
AdvRes		44	11 3/4	11 3/8	11 3/8
AdCpt		88	1 3/4	1 3/4	— 1/8
AdvMag		88	10 1/2	9 1/2	10 1/4 +1/4
AdMktSv		438	11 1/4	10 1/2	11 1/4 +1
AdvPoly		787	7 3/4	6 3/4	7 3/8 + 1/8
AdvSem		479	8 3/4	8 1/2	8 3/4 + 1/8
AdvTel		1752	18 1/4	17 3/8	18 1/4
Advanta		2228	8	7 3/4	8 + 1/8
Advgnt		17	3 1/4	3 1/4	3 1/4 + 1/8
AdvCo wt		3			
AdvaSy		5953	9 1/4	8 3/8	8 3/8 — 1/8
Aeauirm		700	2 3/8	2 3/8	2 3/8 + 1/8
Aegon	1.27e 2.7	274	47 1/4	46 3/4	47 1/4 +2 1/4
AerSyst		1211	1 3/8	1 1/4	1 3/8
AffBcCp	.32 5.3	1542	6 1/2	5 7/8	6 — 1/8
AffBsh		643	13 1/4	12 3/4	13 1/4 — 1/8
AgencyR		4526	20 3/8	19 1/2	20 1/4 + 1/8
AgnCo s	.20 2.5	956	8	7 3/4	8 + 1/8
Agsurn		7	12 3/8	12 3/8	12 3/8 + 1/8
AirWd		1696	8 1/2	7 7/8	8 1/4 + 1/8
AirWisc		1161	12 1/4	11 3/8	12 1/4 + 1/8
Airtran	.12 1.7	182	7 1/4	6 7/8	7 + 1/8
Akorn	.84e 3.7	149	23	22 3/4	23
Akzo	1.15f 3.4	821	34 1/8	33 1/4	33 3/4 + 1/8
AlamBc	.48 3.2	124	15 1/2	15 1/8	15 1/2 + 1/4
Alamo	1.10 7.9	20	14	13 3/4	14
Aldus		1626	14	13 5/8	13 7/8 — 1/8
AlexBr	.14 1.4	430	11 1/8	10 3/4	11 1/8 + 3/8
AlexBld	.80 2.5	2984	35	35	35 + 1/8
AlfaCo	.36 3.1	521	11 3/4	11 1/4	11 3/4
Alpanex		4	1 1/8	1 1/8	1 1/8 + 1/8
Alsco	.20 .5	22	36 1/2	35 3/8	36 1/2 + 1/8
AltAm s		243	3	2 7/8	2 7/8 — 1/8
AltCity		45	4 3/4	4 3/4	4 3/4
AlwNY	.32a 1.8	2	33	33	33 + 1/8
AlnOrg		2	33	33	33
AlliFinl	1.20 2.7	42	38	37	37
AlkanPh		451	12 1/2	11 3/4	11 3/4 — 1/8
AlnPh wt		8	3 1/4	3 1/4	3 1/4
Allkem		829	4 3/8	4 1/2	4 3/8 — 1/8
AllsCo s	.92i 4.8	721	19 1/4	18 1/4	19 1/4 + 1/8
AlldGn	.44 3.7	412	11 1/2	12	11 1/2 + 1/2
AlldFish		24	2 1/4	2 1/4	2 1/4
AlloyCat		244	2 1/4	2 1/8	2
Allwast		9066	17 1/2	16 3/4	17 3/8 + 1/2
Alostte	.15e 1.3	17	11 3/8	11 3/8	11 3/8 + 1/8
Alphnet		215	1 1/8	1	1 — 1/8
AlpMic		254	6 3/8	6 3/8	6 1/2 — 1/8
Altel		10	3	3	3 — 1/8
Altera		2534	7 3/8	7 1/4	7 3/8 + 1/8
Altos		166	23 1/2	23	23 1/2 + 1/8
Altos		809	6 1/2	5 7/8	6 1/8 — 1/8
Altron		248	5 1/2	4 3/4	4 3/4 — 1/8
AmbFn		78	4	4	4
Amcor	.90 2.9	14	17 1/4	17	17 — 1/8
Amrion	.32 3.3	51	11 1/4	11 1/4	11 1/4
Amerbc	.22 2.2	98	12	11 1/2	12
AFFMf2	2.36e 28.2	515	8 3/8	8	8 3/8 + 3/8
AFFP		2811	21 1/2	21	21 1/2 + 1/8
AmFPr	1.60 10.5	95	16	15 3/4	16 + 1/8
AFTxE	1.70 11.9	249	15 3/4	15	15 1/2 — 1/4
AFTxE2	1.28e 8.3	77	15 1/4	14 3/4	15 1/2 +1
AWAirl		2230	10 3/8	10	10 1/8 + 1/8
ABnkr	.52 4.7	2456	10 3/4	10 3/4	10 3/4 + 1/8
ACasac	.28 1.1	34	17 1/2	16 3/4	17 1/2 +1 1/8
AmCity		446	15 1/4	15 1/2	15 3/4 + 1/8
ACoMol	.44 2.9	68	15 1/4	14 3/4	15 1/4 + 1/8
ACorsu		127	8 3/8	8 1/4	8 3/8 + 1/8
AmEcol		135	9 1/2	9 1/2	
AFSvDu	.10e 1.1	3	9 1/4	9 1/4	9 1/4
AFilm	.80 3.4	9	24 1/4	22 1/2	23 3/4 —1
AGreet	.66 2.7	3968	25	24 1/4	24 3/4 — 1/8
AHitSv		392	3/8	3/8	3/8
AHSid		100	7 1/4	7	7 1/4 + 1/8
AindEx	.56 4.6	1	12 1/4	12 1/4	12 1/4 + 1/8
Aminip		997	5 1/8	4 3/8	5 + 1/8
AmLck	2.00c	41	5 1/4	5	5 1/4 + 1/8
AMgant		632	5 1/2	5	5 1/4 + 1/8
AMS		4972	17 1/2	16 1/4	17 1/2 + 1/8
AMedE		27	7/16	7/16	7/16 — 1/16
AMidl		164			
AMInts	1.48 3.9	381	38	36 1/2	38 + 1/4
ANuclC		31	3/4	3/4	3/4
AmNurs		1	2 1/4	2 1/4	2 1/4
AmPac		980	11	10 1/2	10 3/4
APhyG		136	3	2 7/8	3
AmPlan		1	2 1/2	2 1/2	2 1/2 — 1/4
APwC s		624	21 1/2	19	21 1/2 +2 1/4
ARelian	.32 3.7	189	9 1/4	8 3/4	8 3/4 — 1/4
ARepBc		8	8	8	8
AmRlzs		422	2 1/2	2 3/8	2 1/4 — 1/4
ASL_Fl pf	2.19 13.1	228	17	16 3/4	16 3/4 + 1/4
ASvWA	.20 .8	114	26 3/4	25 1/2	25 3/4 + 1/8
ASoft s	.28 1.8	768	16	15	15 3/4 + 1/4
AmSil		556	7/8	6 3/4	7 1/8 + 1/8
ATrCm		2235	42 1/2	40 3/4	50 3/4 — 1/4
AmTrav		114	7 1/2	7 1/8	7 3/8 + 1/8
AVnd s	.84i .6	14	7	7	7 — 1/4
AWstCp	.10r 1.0	201	10 1/4	9 3/4	9 3/4 — 1/4
AWood		284	13 1/2	13 3/4	13 1/2 + 1/4
AmFMk		29	5 1/2	5 1/2	5 1/2 + 1/8
Ameritr	1.28 5.3	3454	25	24	24 3/4 — 1/2
Amerrk		27	1	1 1/4	1 1/4 — 1/8
Amsen		7358	45 1/2	43	45 3/4 +2 1/4
Amistar		150	23 3/4	23	23 3/4 — 1/8
AmtyBc	.20 2.1	9	9 3/4	9 3/4	9 3/4 — 1/8
AmskBk	.68 9.9	1814	7	6 1/2	6 7/8 + 1/4
Amsdisk	.60r 2.2	18	27	25	27 +1
Amplcn		51	16 1/2	14 1/2	15 1/2 +1 1/4
Amserv		180	5 3/4	4 7/8	5 1/4 — 1/8
Amvst s	.20 2.7	4270	7 1/2	7	7 3/8 + 1/8
Anlogic		246	10 1/4	9 3/8	10
AnalyTc	.15 1.0	48	15	14 3/4	14 3/4
Analytn	.48 2.5	40	19 1/4	18 3/4	19 1/4 — 1/8
Anampel	.50e 3.0	4919	16 3/4	16 1/2	16 3/4 + 1/8
Anaren		148	6 1/2	5 7/8	6 + 1/8
AnchSv		3615	5 1/2	5 1/4	5 1/4
AndrGr		147	10	10	10 +1
Andovr		83	15 3/8	15 1/4	15 3/4
AndvBc	.80 5.1	37	15 1/4	15 1/2	15 3/4
AndvTo		334	6 3/4	6	6 1/4 + 1/8
Andrew		518	22 1/4	21 1/2	22 1/4 + 1/8
Andros		44	9 3/4	9 3/4	9 3/4
AnnSEn	.20 1.2	3415	16 1/2	15 3/4	16 1/8 + 1/8
AnsleC	.40 1.0	39959	42	40	41 1/4
ABiotel		1863	25 1/4	22 3/4	23 1/4 — 1/8
AntiMD		2822	29 1/4	27 3/4	29 1/4 +1 1/4
ApldMd		6643	27 1/4	25 1/4	27 1/2 +1 1/4
ApldP s		8994	19 1/2	16	17 1/2 —1 1/2
ApldSir		179	11 3/8	11	11
ArabSh		10	2 1/8	2 1/8	2 1/8
Archive		1940	10 3/4	10	10 1/4 + 1/8
Arbor s	.16 .9	766	18	15 1/4	17 3/4 +2
Arden		78	73	70	72 1/2 +2 1/2
ArgoGp		227	8	7 1/2	7 3/4 + 1/8
Arftch		85	15 1/2	15	15 1/2 + 1/8
ARIX		291	6	5 3/8	5 3/8 + 1/8
Arizinst		1588	8 1/4	8	8 1/8 + 1/8
ArkoPI		1241	15 1/4	15	15 1/4 + 1/8
Armor	.44 3.8	413	21 1/4	20 1/2	21 1/4 + 3/8
Arnold	1.00 3.8	213	33 3/4	32	33 + 1/8
ArrowBk	.44b 3.7	16	17 1/2	16 3/4	17 1/2 + 1/8
Artel		824	5 1/4	4 3/4	5 1/8 + 1/8
ArtWav	.28e 1.9	443	15 1/4	14 3/4	15 1/8 — 1/8
Ashton		5934	17 3/4	17 1/4	17 3/4
Askmr		284	9 1/8	8 3/4	9
AssetR		76	3 3/4	3 3/4	3 3/4 — 1/8
Assix		430	7 3/8	7	7 1/8 + 1/8
Assix wt		138	2 3/8	2 3/8	2 3/8 — 1/8
AstBrnc	.44 3.4	116	19	18 1/4	18 3/4 — 1/4
AsCmA s		2744	20	19 1/2	19 3/4 — 1/4
AsCmB s		441	35	33 1/4	35
AsgNG		635	16 1/2	15 3/8	16 1/4 + 1/4
Astec		321	16 3/4	16	16 1/4
AstrM s		97	9 3/4	9	9 1/4 + 1/8
Astrcm		18	1 1/4	1 1/4	1 1/4 + 1/8
Astron s		1	14	13	13 + 1/8
Astrosy		617	4 3/4	4 3/8	4 3/4 + 1/8
Atek		32	6 1/4	6	6 1/4 — 1/8
Atlasv	.10r .9	174	11	10 1/4	11 + 1/8
AtlcoFl	.30i 1.9	12	15 3/4	15	15 3/4 + 1/8
Atkinsn	.36 1.2	748	30	29 1/2	30 + 1/8
Atlmfd	.28 4.2	11	9 3/4	9 1/2	9 3/4 — 1/8
AtlAm		30	3 1/4	3	3 — 1/8
AtlnBc	.48 4.2	13	11 1/2	11 3/8	11 3/8 + 1/8
AtlFin	.07i .4	1722	17 1/4	16 3/4	17 1/4 +1 1/4
AtlF pf	1.05 46.7	648	23	22	23 1/4 — 1/4
AtlSeAr	.07e .4	1712	17 1/4	16 3/4	17 1/4 +1 1/4
Atwood	.74e 1.9	462	39 1/4	38 1/2	38 3/4 +1 1/4
AtwdCr		731	14 1/4	13 3/4	14 1/4 + 1/8
AuHTT		18	5 1/4	5	5 1/4 — 1/8
Autodv	.20 1.4	76	12 1/4	11 3/4	12 1/4 + 1/8
Autodsk	1.50e 4.1	6458	37 1/4	34 1/2	36 3/8 +2 1/8
Autolnc		114	7 1/2	7 1/4	7 3/8 + 1/8
AVNg s	.84i .6	14	7	7	7 — 1/4
AWstCp	.10r 1.0	201	10 1/4	9 3/4	9 3/4 — 1/4
AWood		284	13 1/4	13 3/4	13 1/2 + 1/4
AmFMk		29	5 1/2	5 1/2	5 1/2 + 1/8
AvnNet		1947	5 3/4	4 7/8	5 1/4 + 1/8
Avstar		309	27 1/2	26 1/4	27 1/4 — 1/4
Avry		2	4 1/2	4 1/2	4 1/2
Awrdle	.92 4.8	2442	19 1/4	18 3/4	19 1/4 + 1/4
AztcM	.10 2.5	251	4 1/8	3 7/8	4
B					
BB&T s	.72 3.6	255	20 1/2	20	20 — 1/4
BH Bulk		984	8	7 7/8	8 + 1/8
BEI	.24 5.6	616	4 1/4	4	4 1/4 + 1/8
BF Ent		1	8	8	8 — 1/8
BFS NY		39	10 1/2	10 1/2	10 1/2 — 1/8
BGS	.40b 3.3	88	12 3/4	12 1/4	12 3/4 + 1/8
BHA s		490	19 1/2	18 3/4	19 1/2 + 1/8
BHA B s		43	19	18 1/2	19 + 1/8
BMA	1.28 3.7	542	35	33 1/2	35 1/2 + 1/8
BMC Sft		1217	17 3/4	16 1/2	16 3/4 — 1/8
BMJ	.56 3.4	19	16 3/4	16 1/2	16 3/4 — 1/8
BNH	.24 2.5	37	9 1/2	9 1/2	9 1/2 — 1/8
BSB Bcp	.20 2.5	37	16 3/4	16	16 3/4 + 1/8
BT Fin	.28 2.1	260	14 1/2	14	14 — 1/8
BTR		36	6 3/4	6 3/4	6 3/4 — 1/8
BTU Int		281	5 3/4	5 1/2	5 3/4
Babcox		2398	13 3/8	12 3/4	13 3/8 — 1/8
Badger s	.44 2.7	32	22 1/2	21	21 — 1/2
Bailey		14	2 3/4	2 3/4	2 3/4
BakerJ	.16 .4	712	47 1/4	46 1/2	46 3/4 — 1/8
Baldwin	.20 1.1	3	19	18 3/4	18 3/4 — 1/8
BaldMf	.28 1.1	87	18 1/2	18	18 1/2 + 1/8
BaldPic		443	13 1/2	12	12 — 1/8
Ballard s		351	17 3/4	17 1/2	17 3/4 + 1/8
Baltek	.15 .9	3	20 3/4	19	20 3/4 + 1/8
BncPac	1.50 5.5	9	28 1/2	27 1/4	27 1/2 — 1/8
BncPop s	.80 4.8	260	20 1/4	19 1/4	20 + 1/8
BcpHw s	1.36 2.6	484	52 1/4	51 1/4	51 3/4
BcWiss	.76 3.5	144	22	22	22
BcPNJ	.48 3.7	1094	14 1/2	13 3/4	13 3/4 — 1/8
Banchec		7	7	7	7 — 1/8
BandoM	.68 9.7	16	7	6 3/4	7 — 1/8
BanonN	1.16 8.8	16	14 3/4	14 1/2	14 1/2 — 1/8
BankAtl	1.00a 10.8	81	9 3/4	9 1/4	9 1/4 — 1/8
BkGran	.48 1.9	28	25	25	25
BnkNH	.52 4.5	20	20 1/4	20 1/2	20 1/2 + 1/8
BkSou	.48 4.8	965	12 1/4	11 3/8	12 1/8 + 1/8
Bnkatl	.24i	4238	4 1/8	3 7/8	4 + 1/8
BnkFst	.07e .9	106	9	8 3/4	9
BkrNite		376	3 3/4	3 5/8	3 3/4 — 1/8
Bnkmth	1.72 5.8	235	34 1/4	34 1/4	34 1/4 — 1/4
Banland	1.20 1.4	2365	23 1/2	23	23 1/4 + 1/8
BkMA s		1710	9 1/2	9 1/2	9 1/2
BkWorc	1.00 5.9	3265	17 3/8	16 3/4	17 — 1/4
Banta	.52 2.3	417	24 1/4	23 3/4	24 + 1/8
Barden	1.00b 2.7	36	38	36	37 1/2 + 1/2
BarrRs		157	5 1/2	5 1/4	5 1/2 + 1/8
BarrTr		3157	11 3/4	11	11 1/4 — 1/8
BarryJs		127	14	13 3/8	13 3/8 — 1/8
BsTnA		88	4	3 3/4	3 3/4 — 1/8
BasAm		1118	4	3 3/4	3 3/4 — 1/8
BaTrInf		785			
BastF	1.00 2.6	19	39 1/2	37	39 1/2 + 1/2
BayVw	.30g 1.3	1146	24 1/4	23 3/4	24 1/4 +1/8
Baybks	1.80 4.2	3282	43 3/4	42 3/4	43 1/4 — 1/4
Bayhy h		30	3 1/4	3 1/4	3 1/4
BeauC s	.85i .9	1917	7 1/2	7 1/4	7 3/8 + 1/8
BeauFL		283	4 3/8	4 1/8	4 1/4 — 1/8
Beebas	.20c 1.5	649	13	12 3/8	13 + 1/8
Bechm s	.59e 2.9	1661	20 3/4	19 3/4	20 1/2 — 1/8
BelFuse		5	15 1/4	15	15 1/4 + 1/8
BellW		3	5 1/4	5	5 1/4 — 1/8
BellSv		752	10 1/4	9 3/8	10 1/4 + 1/8
Belmtl		168	9	9	9 — 1/8
BenJer		126	15 3/4	14 3/4	15 1/4 + 1/8
Benhan		218	3 1/2	3 3/4	3 3/4
BenSv		615	4 3/4	4 1/4	4 3/4 + 1/8
Berkley	.40 1.2	2311	32 1/4	31 3/4	32 1/4 + 1/8
BerkCs	1.28 7.8	46	17 1/4	15 3/4	16 1/8 — 1/8
BerkLb	1.88 13.7	71	29 1/2	28	28 — 1/2
Bet B	.16 1.2	810	13 1/4	13	13 1/4 + 1/8
BioOTr		635	2	1 3/8	2
Biodtv		97	8 3/4	8 1/4	8 3/4 — 1/8
BiogKg		30	3 3/8	3 3/8	3 3/8 — 1/8
BiomTr wt		3	3	3	3
BioLog		41	5 1/4	4 3/8	5 — 1/8
BiMedx		912	14 3/8	13 3/8	14 1/2 — 1/8
Biogen		2581	11 1/4	11 1/4	11 1/4 — 1/8
Biosm pf		1210	24 1/2	24 3/8	24 3/8 — 1/4
Biomet s		3842	22	20 1/2	22 + 1/4
Biotch		127	6 1/8	5 3/8	6
BiotCR		218	5 1/4	4 3/4	4 3/4 — 1/8
BioTint		215	3	2 3/4	3 + 1/8
BirdInc		118	11 1/4	10 3/4	11 + 1/4
BirdAir		45	3 3/4	3 3/4	3 3/4
BirdSol	.03 .3	84	10 1/4	10	10 — 1/8
Bisys		5	4 1/4	4 1/2	4 1/2 — 1/8
BitsLgu		37	7	6 3/4	7 — 1/8
BlckBx	.44b 1.8	670	25 1/4	25	25 1/4
BlkEng un		1	17 3/4	17 3/4	17 3/4
BlkEng wt		1	5	5	5
BlkHaw	.20b 2.4	2404	17 3/4	16 1/2	17 3/4 + 1/8
BlkHrbr pf		257	10	9 3/4	10
BobEvn	.36 1.7	3056	15 3/4	15	15 3/4 + 1/8
Boisert		19	9 1/2	9 1/2	9 1/2
Bolsano	.20b 1.1	438	18 1/2	17 3/4	18 1/4 +1
BoomTr		1257	13 1/4	12 3/4	13 1/4 — 1/8
BostBk	.40 3.5	83	17 3/4	16 3/4	17 3/4 + 1/8
BostDig		4	3 1/4	3 1/4	3 1/4
BstnFB	.72 5.5	691	13 1/4	12 3/4	13 1/4 + 1/8
BrdBc	.48 3.3	13	22 1/2	22	22 1/2 + 1/8
BrdRE	.48 3.3	130	13 1/2	13	13
BradyW	.28 1.0	27	28 3/8	27 1/2	27 3/4 — 1/8
BreaCo		604	4 1/4	4 1/8	4 1/4 + 1/8
Brentre	.36 2.8	114	13 1/2	12 3/4	13 — 1/8
Bridgs		2	5	5	5
Brand		1162	21 1/8	20 1/2	21 1/4 +1
BrnkSv	.40 4.4	73	9 1/2	9	9 1/2 + 1/8
BrnwFg		670	5 3/4	5 1/4	5 1/4 — 1/8
BrdgFs	.20 1.1	21	19	17 1/2	19
BrwnFn	.48 3.6	20	5	5	5
BkIynSv	.48 3.8	4	13 1/2	13	13 1/2 + 1/8
BrwnRb		20	5	5	5
BrTom s		242	5	5	5 1/4
BwnTm		126	3	2 3/4	2 3/4 — 1/8
Brunos	.12 1.8	4619	12 1/4	11 3/8	12 — 1/8
BrynMw	1.48 4.5	20	32	30 1/2	30 1/2 — 1/2
BskyFn		13	7 1/2	7	7 1/2
Buffets		1238	15 1/4	14 1/2	15 1/4 + 1/8
BullDT		187	10 3/4	10 1/4	10 1/2 — 1/8
BullSecr		1	4 1/8	4 1/8	4 1/8 — 1/8
BullRGd		413	1 1/8	1	1 1/4 — 1/8
Burlnd		4288	21 1/4	20 1/2	21 — 1/8
BurrBr		1109	11	10 1/4	11
Burrll		27	21 3/4	21	21 3/4 + 1/8
ButhrMf	1.40 3.8	640	37 1/2	36 3/4	37 1/4 — 1/8
Bytex		756	7 3/8	7 1/4	7 3/8 + 1/8
C					
CB T s	.34 2.2	601	15 1/2	14 3/4	15 3/4 + 1/8
CB&T F	.60 3.8	5	15 3/4	15 1/2	15 3/4 — 1/8
CCA		136	3 1/4	3 1/4	3 1/4
CCB s	1.36 3.6	108	38 1/4	38 1/4	38 1/4 — 1/4
CCOR s		1302	14	13	13
CCNB	.68 3.2	80	21 1/8	20 1/4	21 1/8
CEM s		1028	11	9 3/4	10 1/4 + 1/4
CFI St		55	4 1/4		
CFX Cp		1	11 1/2	11 1/2	11 1/2 — 1/8
CIS Tch		673	1 1/2	1 3/8	1 3/8 + 1/8
CK FSv	.40 2.5	5	15 3/4	15 3/4	15 3/4 — 1/8
CMS En		1644	4	3 7/8	4 + 1/8
CNB	.84b 3.9	1482	21 3/4	21 3/8	21 3/4
CPAC		259	6 1/4	5 7/8	6 — 1/8
CPB s		159	82		
CPC Rx		136	4		
CPT		8	19 1/2	19 1/2	19 1/2 — 1/8
CSC Ind		21	2 3/8	2 1/8	2 1/8 — 1/8
CSP		57	6 1/4	6	6
CTEC s		1552	24	21 1/2	24 +1
CUC Int		4792	12 3/4	12 1/4	12 3/4 — 1/8
CVBFn s		30	29	28 1/2	29 1/2 + 1/4
CVN	10.00e	3119	19	18 1/8	18 3/4 + 3/8
Cabotm		27	22 1/4	21 3/4	22 + 1/4
Cadmus		348	13 3/4	13	13 1/4 — 1/8
CACI		965	29	27	29 + 1/4
CdnvS	1.70e 2.7	1726	63	57	62 1/2 + 1/2
Caddin		277			
Cadence		2330	17	15	16 3/4 + 1/8
Cadmus	.20 2.8	148	10	9 1/2	10 + 1/4
CalRep	.40b 1.7	8	23 1/2	23 1/2	23 1/2 — 1
Calgene		844	6 3/4	6 1/4	6 3/8 + 1/8
Calmar s	.20 .5	1945	39 1/2	35	39 1/2 +3 1/4
CalAmp		35	5	5	5
CalBio		1653	6 1/4	5 3/4	6 + 1/8
CalFed	.40 4.4	44	9	8 3/4	9
CalMD		8	3 1/4	3 1/4	3 1/4 + 1/4
CalMic		648	8 1/2	7 3/4	8 1/4 + 1/8
CalSBk s		10	16	16	16 + 1/4
CalWtr	1.68 6.9	212	24 1/2	23 3/4	24 1/8 + 1/4
Calfed	.40e 16.0	26	2 3/4	2 3/4	2 3/4
Calumt	1.1	185	7 1/2	6 3/4	7 1/4 + 1/4
Cambrex		159	17 1/4	16 1/2	16 3/4 + 1/8
CambSt		3227	19 3/4	19	19 1/2 + 1/4
Cambrin		2	1 3/4

New International Bond Issues

Compiled by Bassam Aoun

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
FLOATING RATE NOTES						
Realty Frends 1	$149	1993	0.75	100	—	Over 3-month Libor. Noncallable. Fees not disclosed. Denominations $1 million. (Continental Capital Markets.)
Alliance & Leicester Building Society	£50	2004	0.355	100	—	Over 3-month Libor. Callable at par in 1994. Fees 0.20%. There is a sinking fund, to retire £10 million per year, starting in 1999. (Chase Investment Bank.)
HMC Mortgage Notes 4	£150	2021	0.18	100	—	Over 3-month Libor for the first 10 years, and 0.50% over Libor thereafter. Callable at par in 1992. Fees 0.19%. Denominations £100,000. (Credit Suisse First Boston.)
Midland Int'l Financial Services	DM 200	1999	1/16	99.95	—	Over 6-month Libor. Noncallable. Fees 0.20%. (Trinkaus & Burkhardt)
FIXED-COUPON						
Deutsche Finance Netherlands	DM 1,500	1994	7	101.80	—	Noncallable. Fees undisclosed. Increased from 1 billion Deutsche Mark launched on June 7. (Deutsche Bank AG.)
Finnish Export Credit	DM 35	1991	15	100	—	Noncallable. Redemption is linked to the DM/Peseta exchange rate close to maturity. Fees 1⅛%. (Merrill Lynch Bank.)
IKB Int'l Luxembourg	DM 50	1991	7	101	—	Noncallable. Fees not disclosed. (IKB.)
World Bank	DM 600	1999	6¾	100¾	99.45	Noncallable. Fees 1⅝%. (Deutsche Bank.)
Dresdner Int'l Finance	FF 500	1994	9	101½	99.80	Noncallable. Fees 1⅝%. (Banque Nationale de Paris.)
GMAC Canada	ITL 100,000	1994	13	101.90	100.30	Noncallable. Fees 1⅝%. (Banco Di Roma.)
African Development Bank	PTA 10,000	1996	12½	101	100.55	Noncallable. Fees 1⅝%. (J.P. Morgan Securities.)
Swedish Export Credit	SK 500	1994	11	101	98.875	Noncallable. Fees 1⅝%. (Svenska Int'l.)
Societe Generale Australia	NZ$ 60	1993	13¾	102	100.25	Noncallable. Fees 1⅝%. (Hambros Bank.)
EQUITY-LINKED						
Gakken Co.	$100	1993	4⅛	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,804 yen per share and at 145.45 yen per dollar. Fees 2⅛%. (Yamaichi Int'l Europe.)
Hino Motors	$200	1994	4¾	100	102.75	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,148 yen per share. Fees 2⅛%. (Nikko Securities Europe.)
Kanematsu-Gosho	$130	1993	open	100	100.00	Coupon indicated at 4½%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2⅛%. Terms to be set July 11. (Nomura Int'l.)
Marubeni	$700	1994	4⅝	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 892 yen per share. Fees 2⅛%. (Yamaichi Int'l Europe.)
Marubeni (Asia)	$300	1993	4	100	—	Noncallable. Each $10,000 note with two warrant exercisable into company's shares at 892 yen per share and at 139.30 yen per dollar. Fees 2⅛%. (Nikko Securities Europe.)
Marubeni (Europe)	$500	1993	4	100	—	Noncallable. Each $10,000 note with two warrant exercisable into company's shares at 892 yen per share and at 139.30 yen per dollar. Fees 2⅛%. (Daiwa Europe.)
Mitsubishi Petrochemical Co. (Europe)	$220	1994	4⅝	100	101.50	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,692 yen per share. Fees 2⅛%. (Nikko Securities Europe.)
Mitsubishi Petrochemical Co. (Asia)	$100	1994	4⅝	100	101.50	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,692 yen per share. Fees 2⅛%. (Yamaichi Int'l HK.)
Shimizu	$700	1993	4	100	104.50	Noncallable. Each $10,000 note with two warrants exercisable into company's shares at 2,040 yen per share. Fees 2⅛%. (Yamaichi Int'l Europe.)
Toa Steel Co.	$100	1993	open	100	105.37	Coupon indicated at 4½%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2⅛%. Terms to be set July 11. (Nomura Int'l.)
Unitika	$300	1993	open	100	101.75	Coupon indicated at 4½%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2⅛%. Terms to be set July 14. (Nomura Int'l.)
Mitsubishi Petrochemical Co.	DF 200	1994	2.545	100	—	Each 10,000 guilder note with two warrants exercisable into company's shares at 1,692 yen per share. Fees 2⅛%. (Amsterdam-Rotterdam Bank.)

Tsutsumi, Less $4 Billion, Still Tops Forbes' Rich List

The Associated Press

NEW YORK — Yoshiaki Tsutsumi of Japan, despite losing almost $4 billion in the last 12 months, remains the world's richest person for the third straight year, according Forbes magazine.

The U.S. biweekly publication said in its annual listings issue, to appear Monday, that the net worth of Mr. Tsutsumi, 55, had fallen from $18.9 billion in 1988 to about $15 billion, but that the head of the Seibu Railway group still was ahead of Taikichiro Mori of Japan. Mr. Mori owns 72 office buildings in Tokyo and is worth about $14.2 billion, Forbes said.

It said it had identified 226 individuals or families in the world whose personal net assets are worth more than $1 billion. The United States had 55 individuals in this category, followed by Japan, with 41. Forbes pointed out, however, that six of the 10 richest were Japanese.

West Germany was third, with 20 billionaires. Forbes noted that the number of non-American billionaires increased by 24 over 1988 and remarked that "few are household names."

Sam Moore Walton, the retail-store chain owner who was the richest American, ranked third in the world with $8.7 billion. Fourth, at about $8 billion were Canada's Reichmann brothers, Paul, Albert and Ralph, who own a real estate empire, and Shin Kyuk Ho, the South Korean industrialist. Sweden's Ransing brothers, Hans and Gad, were said to have a $7-billion fortune in food packaging.

Forbes said the Colombian drug lord Pablo Escobar Gaviria was worth an estimated $3 billion, while the Ochoa family, also associated with the so-called Medellín cocaine cartel, was worth about $2 billion.

Also in the $2 billion-plus group were Italy's Agnelli family, which controls Fiat SpA, and West Germany's Quandt family, which own two-thirds of the BMW auto company. Forbes estimated the Agnelli fortune at $3.7 billion and the Quandt stake at $2.6 billion.

Gerald Cavendish Grosvenor, the Duke of Westminster and the wealthiest landowner in Britain after Queen Elizabeth II, was said to be worth $3 billion.

Forbes excludes royal families and heads of state from its list because their wealth derives more from political heritage than from economic effort.

The sultan of Brunei, Muda Hassanal Bolkiah, who is one of the world's few absolute monarchs, is listed by the Guinness Book of World Records as the richest individual because the country's oil income and foreign currency reserves of almost $30 billion are "effectively at his disposal."

Forbes said that Liliane Bettencourt, the daughter and heir of the founder of L'Oreal who is widely considered France's wealthiest individual, has a net worth of $1.1 billion.

Hong Kong Firm Tests Water

$1.3 Billion Loan for Port Facility Measures Confidence

Reuters

HONG KONG — Hong Kong International Container Terminals Ltd. is taking out a loan of 10.5 billion Hong Kong dollars ($1.3 billion), the largest such commercial transaction here since Beijing triggered a crisis of confidence by bloodily suppressing the pro-democracy movement just over a month ago, banking sources said.

They said that the loan was being regarded by shareholders and by local and international banks as a vote of confidence in the future of Hong Kong, which is to be returned to Chinese control in 1997.

Hong Kong International Container Terminals, or HIT, handles about 45 percent of the business of the Kwai Chung port in Hong Kong's New Territories. Kwai Chung is world's busiest container port.

The loan will be in two tranches with the first, 8.4 billion Hong Kong dollars, earmarked for construction costs of berths six and seven at the Kwai Chung port.

The second tranche of 2.1 billion dollars will fund the construction of a cargo-distribution center atop berth four.

The maturity of the first tranche will be nine and one-half years, and the second will have a maturity of seven and one-half years, banking sources said.

They said the company would not offer either berth six or seven as a mortgage or as a loan guarantee to the lender. Instead, the loan will be a negative-pledge one, with a promise not to mortgage the berths to other banks.

"The syndication of the arrangers alone is an interesting combination," one banking source said. "It includes the leading banks from Hong Kong, China and the United States, and the financial arm of the major local property developer Hutchison Whampoa and its affiliate Cheung Kong," the source said.

The syndication of arrangers is expected to be completed soon.

It is expected to include the

INTERNATIONAL CREDIT

Wardley Ltd. unit of Hong Kong & Shanghai Banking Corp.; Chase Manhattan Asia Ltd.; China Development Finance Co., a unit of the Bank of China; and CEF Capital Ltd., part of Cheung Kong (Holdings) Ltd.

"Wardley persuaded us to join on the grounds that it is a vote on Hong Kong's future," a banker with a major British bank said.

"If we only considered the profit margin, we would definitely refuse to join," he said. "The proposed margin is less than half of a percentage point, over a loan of nearly 10 years. It is at least a quarter percent under the market price."

If the loan can be concluded with the terms as proposed, it will prompt confidence of local and international banking corporations in Hong Kong's future, he said.

An official of the Bank of China said, "We have to join to show our support for Hong Kong."

But a source at one of the loan arrangers, who asked not to be identified, said, "The situation is not as simple as it looks. HIT's shareholders have already injected 5.5 billion dollars of capital into the project, so theoretically HIT only needs a 5 billion dollar loan in addition. Why have they asked for a 10.5 billion dollar loan?"

The source said part of the 10.5 billion would be for refinancing the shareholders' existing capital loan.

"It means the shareholders want to draw their money from the project, so how can they claim that they are confident in Hong Kong's future? I understand that some other banks also asked the same question," the source said.

HIT's shareholders include Hutchison with 66.5 percent, China Resources Holdings Ltd. with 10 percent, and OOHL Group with 7.5 percent.

■ **$660 Million Saudi Loan**

A Saudi Arabian state body has signed a $660 million syndicated loan in what appears to be the first international borrowing by the Saudi government in a quarter century, Reuters reported from Kuwait, quoting bankers and economists.

In a syndicated loan signed on Monday, the Public Investment Fund raised five-year funds at 1/8 point above the London interbank offered rate from a group of Saudi and Gulf banks, the bankers said.

Economists in Saudi Arabia speculated that the government could be using the Public Investment Fund as an indirect conduit to finance its budget deficit, projected at just under $7 billion for 1989.

Saudi Arabia has run up a huge deficit every year since oil revenues fell sharply in the early 1980s, but traditionally has been reluctant to raise funds publicly both for religious reasons and because of memories of a borrowing spree that threw the economy into a tailspin in the late 1950s.

American Interest Rates Are Poised for Decline

Compiled by Our Staff From Dispatches

NEW YORK — Major U.S. money center banks are likely to endorse the prime rate cut by Southwest Bank of St. Louis in the coming days, economists said, citing lower interest charges throughout the American market.

Southwest on Friday cut its prime rate, a benchmark used to calculate the interest on various loans, to 10.5 percent from 11 percent. The reduction is effective on Monday. The bank has in the past led others in interest rate changes.

Analysts said reduced corporate borrowing and a decline in the cost of gathering customer deposits were reasons for other banks to follow.

"A 10.5 percent prime is justifiable," said William V. Sullivan Jr. of Dean Witter Reynolds Inc. "Money market rates have come down, and borrowing from banks has slumped."

Indeed, financial markets think the Federal Reserve Board already has nudged down the rate on overnight loans between banks. The federal funds rate ended last week at about 9 percent, down from 9.25 percent a week earlier, and a further fall may come within two months, analysts said.

The relatively sharp drop in the funds rate occurred despite a move by the central bank to drain reserves from the banking system by effecting six-day matched sales. The Fed does this by selling Treasury securities with the understanding that the central bank will buy them back after the stated period.

Because the buyers finance their purchases with bank loans, it serves to drain reserves from the banking system. When the Fed wants to add reserves temporarily, it does the reverse and buys securities. The buyers deposit the proceeds from the "sale," thus adding reserves to the banking system.

"The six-day matched sales were unusually long, but the Fed was far less aggressive in draining reserves today than they normally are in such pre-weekend operations," Mr. Sullivan said. "What the Fed was telling the Street, in effect, was that

U.S. CREDIT MARKETS

it was not prepared to reduce interest rates precipitously. We think the Fed has targeted a 9¼ percent funds rate, but may tolerate a range of between 9 and 9¼ percent for the time being."

Jason Benderly, co-director of economics at Goldman, Sachs & Co., said, "As long as coming inflation news is neutral-to-positive and poses no threat, the Fed will take weak growth figures as a reason to ease again."

Early Friday, the government released employment statistics that indicated weakness in the economy. It said nonfarm payrolls rose 180,000 in June, less than expected, and manufacturing employment was especially soft.

Money market rates already reflect the Fed's easier stance. Banks are borrowing money through three-month certificates of deposits at 8.90 percent, down from 9.32 percent on June 2, when Southwest Bank led the previous round of prime rate reductions.

Corporations, meanwhile, are turning to the short-term commercial paper market for loans instead of borrowing from banks.

The idea that the Fed has decided to let interest rates fall and the weak employment figures boosted bond prices on Friday, allowing the bellwether 30-year Treasury issue to end the week basically unchanged. The return on the securities was stable at 8.04 percent, although the price rose 1/32, to 102 13/32s.

Shortly after the June employment data was released, the yield fell to 8 percent, the first time it had traded at that low a level since April 1987.

Late in the session, however, much of the gain was eroded by the inevitable pre-weekend profit taking and a report that a large Wall Street house was asking for bids on $1 billion of mortgage-backed securities.

"We don't know whether the house is trying to unload the mortgage paper from its portfolio or whether the house is acting on behalf of a client, but the news threw a little cold water on the bond market after lunch and may have led to more profit taking than would otherwise have been the case," Mr. Sullivan said.

"But one thing is certain," he added: this rally is going to continue, and we may see the yield on the long bond crack below 8 percent next week."

Weakness in the U.S. economy "both improves and now overshadows Fed inflation concerns," said Philip Braverman, chief economist at Irving Securities Inc.

He said further cuts in the federal funds rate would occur "if the Fed is to avoid criticism that it has not done enough to avoid the mounting risk of recession."

(Reuters, NYT, UPI)

Euromarts At a Glance

Eurobond Yields

	July 5	June 28
U.S. $, 8 yrs & over	8.94	9.05
U.S. $, 5 to 7 yrs	9.20	9.28
U.S. $, less than 5 yrs	8.92	9.16
Pounds sterling, less than 5 yrs	12.02	12.08
French francs, less than 5 yrs	9.01	8.96
Ital. lire, less than 5 yrs	11.61	11.59
Danish kroner, less than 5 yrs	9.78	9.79
ECU, 8 yrs & over	8.59	8.65
ECU, 5 to 7 yrs	8.64	8.66
Can. $, less than 5 yrs	10.81	10.81
Aus. $, less than 5 yrs	14.06	14.20
N.Z. $, less than 5 yrs	13.91	13.95
Yen, 5 to 7 yrs	5.47	5.38
Yen, less than 5 yrs	5.32	5.17

Source: Luxembourg Stock Exchange.

Weekly Sales *July 6*

Primary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	282.10	983.80	620.90	570.80
Convert.	3.90	—	—	121.40
FRNs	14.00	244.10	273.00	629.80
ECP	2,161.20	358.00	7,300.70	1,509.40
Total	2,461.20	1,585.90	8,194.80	2,831.40

Secondary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	4,781.60	8,175.90	13,306.40	8,461.10
Convert.	774.50	630.20	770.90	325.20
FRNs	936.70	2,114.20	4,267.80	4,954.40
ECP	3,295.80	1,697.80	3,253.70	1,327.00
Total	9,787.80	12,618.20	21,488.80	15,767.90

Source: Euroclear, Cedel.

Libor Rates *July 7*

	1-month	3-month	6-month
U.S. $	9⅛	9⅛	8⅞
Deutsche mark	6⅞	7	7 1/16
Pound sterling	14⅛	14	14
French franc	9⅛	9 3/16	9¼
ECU	9⅜	9⅜	9 7/16
Yen	5 5/16	5 5/16	4 15/16

Source: Morgan Guaranty, Lloyds Bank, Reuters.

Treasury Bonds

July 7

Maturity	Close Bid	Close Ask	Yield	Wk.-ago yield
31.06.91	100 14/32	100 16/32	7.81	8.06
15.05.92	102 20/32	102 21/32	7.82	8.02
30.06.93	100 28/32	100 30/32	7.85	8.02
15.08.94	103 3/32	103 5/32	7.87	8.02
15.04.96	107 1/32	107 3/32	8.00	8.09
15.05.99	107 14/32	107 14/32	8.10	8.09
15.02.06	111 12/32	111 17/32	8.10	8.13
15.02.19	109 12/32	109 14/32	8.04	8.04

Source: Salomon Inc.

U.S. Consumer Rates

July 7

Tax Exempt Bonds Bond Buyer 20-Bond Index	7.00 %
Money Market Funds Donoghue's 7-Day Average	9.25 %
Bank Money Market Accounts Bank Rate Monitor Index	6.55 %
Home Mortgage, FHLB average	10.03 %

Source: New York Times.

Wall Street Review

NYSE Most Actives

	Vol.	High	Low	Last	Chng.
AT&T	56723	36	34½	35⅞	+⅞
PanEC	40751	25¼	23½	25¼	+1¾
ArmWI	38347	49⅝	42⅝	49	+4⅝
UAL Cp	38147	172	139½	166	+26½
IBM	36990	112¾	111¼	112⅛	+¼
WarnC	34954	62¼	60	61¾	+1⅜
Syntex	34068	50⅝	47¾	49⅝	+⅛
GenEl	32935	53½	51⅜	53⅛	+1½
GMotr s	32269	41¾	40⅛	40⅛	−1⅛
AEIPw	31369	28½	27¾	28⅜	+⅝
Exxon	31357	44⅝	43⅝	44¼	+¼
ParCom	30312	60⅝	56⅝	57	−2¼
SmkBck	29934	61⅛	60⅛	60⅝	−⅜
USX	29070	35⅝	34⅛	35⅝	+⅞
UCarb	28771	27⅛	26	27	+⅝
Merck	28459	70¾	66⅝	70⅝	+3⅝
Texaco	27875	52¼	50⅝	52	+1⅝
Alcan s	27530	21⅞	21¼	21¾	
Maytag	26260	23⅜	22⅛	23¼	+⅞
EKodak	26135	48½	46⅝	47⅞	+⅞
FordM	25619	48¾	47¾	47¾	−⅜
AmExp	25467	34⅛	32⅝	34	+⅜
PacTel	25027	41½	39½	41⅞	+1⅝
BnkAm	24993	27⅛	26¼	26⅝	+¼
WUnion	24946	1⅝	1½	1⅝	

AMEX Most Actives

	Vol.	High	Low	Last	Chng.
BAT	44354	11⅝	10⅝	11	+⅝
Amdhl s	25806	16⅞	16⅛	16⅛	−⅛
EchoBy	17030	15⅝	14⅛	15¼	+1⅛
WangB	16886	7⅝	7	7¼	−½
TexAir	11753	15⅝	15	15½	+⅛
ENSCO	8584	3⅛	2⅞	3⅛	+¼
FruitL	7828	11	10½	10⅞	+⅛
CornCr	6004	21	18⅞	20¾	+1½
Hasbro	5360	21⅛	20½	20⅞	+⅛
Alza	4986	30⅝	28⅝	30⅛	−⅜
FAusPr	4459	9⅝	8⅝	8⅝	−⅝
MagmC	4342	5⅝	4¾	5½	+½
WDigitl	4251	10⅛	9½	9¾	−⅜
IntCty g	4202	21	20½	21	−⅛
Diasonc	4008	3	2⅝	2⅞	+⅞
Lionel	3951	7⅝	6¾	7¼	+⅜
BolrPh	3902	29⅛	27⅞	27⅝	−⅛
OMI	3847	10⅛	9⅝	9⅞	−⅜
HouOT	3685	1⅞	1½	1½	
NY Tim	3507	31⅞	30	31½	+⅜
Corco n	3107	7¼	7	7⅛	+⅛
DWG	2776	13¼	11⅝	12⅞	+1
PegGld	2737	11½	10⅝	11⅜	+1
Atari	2696	8⅝	8	8⅝	
AT&E	2566	14⅝	13⅛	14⅝	+1⅛

NYSE Sales

	Sales Vol.
Total for week	503,450,000
Week ago	810,750,000
Year ago	653,590,000
Two years ago	930,730,000
Jan 1 to date	21,710,313,550
1988 to date	21,483,320,000
1987 to date	21,498,550,000

AMEX Sales

	Sales Vol.
Total for week	37,890,000
Week ago	59,730,000
Year ago	44,720,000
Jan 1 to date	1,480,050,000
1988 to date	1,517,940,000

NYSE Diaries

	This Wk	Last Wk
Advanced	1361	452
Declined	463	1292
Unchanged	319	230
Total Issues	2143	2174
New Highs	201	281
New Lows	40	69

AMEX Diaries

	This Wk	Last Wk
Advanced	427	327
Declined	324	520
Unchanged	238	180
Total Issues	989	1027
New Highs	60	74
New Lows	25	41

DOLLAR: *Right on Cue for the Group of 7 Meeting*

(Continued from first finance page)

West Germany, France, Britain, Canada and Italy — lost control over the dollar and gave up their 1987 agreement, signed in Paris, to stabilize currencies near then-prevaling rates.

But partly by accident and partly by design the dollar has fallen back steadily from highs in May and June, ending last week at 1.8715 Deutsche marks and 139.20 yen.

Conveniently for the Group of Seven leaders, who are to meet Friday through Sunday, the two key rates are just below the widely presumed 1.90 DM and 140 yen ceilings set under their currency pact.

The U.S. Treasury secretary, Nicholas F. Brady, has already given as strong a hint as possible that the seven nations will repeat their April 2 communiqué on the dollar, and Mr. Brady has indicated Washington will resist any major new initiatives. The April statement said the countries were happy with the value of the dollar, which was then at about 1.88 DM.

"We would feel very uneasy about tinkering with success," Mr. Brady said at the end of last week.

But some economists said a mere reaffirmation of the April communiqué language is unlikely to impress on three counts:

- World currency markets pushed the dollar up strongly against the mark and yen, exploding a myth that central banks could keep currencies within agreed ranges.
- The dollar's surge clearly revealed the limitations of international policy coordination, as well as inherent conflicts in the goals of fighting inflation and keeping currencies steady.
- There is growing official and academic skepticism about the wisdom of keeping exchange rates steady at a time when world interest rates and inflation still differ widely.

"A renewed promise of exchange-rate stability would definitely be the wrong message," the U.S. economist Martin S. Feldstein wrote in an article published last week in Financial Times of London.

The Bank for International Settlements, the central bankers' bank, made the same point forcefully in its annual report last month, stating, "The pendulum has swung too far in the direction of pursuing nominal exchange rate stability."

When the Group of 10 central bankers meet Monday at BIS in Basle, they will be conducting their first regular meeting since the West German Bundesbank led a coordinated round of European interest rate hikes on June 29.

FRANCE: *Turning on Charm to Lure Japanese Automotive Investment*

Continued from first finance page)

to build a plant in Lorraine that would have employed 7,000 people. The plant, which produces the Opel Corsa, went to Saragossa, Spain.

The change in attitude is due, in a large part, to the realization that France has been getting the worst of both worlds by spurning foreign investments. Not only has it been losing out on the new jobs and industrial modernization that comes with such investments, it has not been able to prevent the cars produced by new plants in other European countries from coming across the border to compete with the French automakers.

"Our wish is to get rid of this restrictive attitude that our country has had for so long," Pierre Bérégovoy, the finance minister, said recently. "It hasn't been profitable. The investments which we have refused have gone to our neighboring countries, from where we are now importing certain production."

His cure was simple: "Better the Japanese than the unemployed."

But the turnabout came too late to affect Toyota's decision on where to put its first engine plant in Europe. Last week, Toyota picked North Wales for the plant, to cost about $227 million and employ 300 people. Earlier this spring, Toyota picked a British site, near Derby, for a $1.1 billion assembly plant that ultimately employ 3,000.

France had made some effort to attract the plants through its regional industrial development office, though the Industry Ministry never became directly involved.

A Toyota source in Japan said France could not match the enthusiasm Britain had shown for the plants. He said "France was very welcoming for this project, but the U.K. was very, very welcoming."

He said it was not a matter of state or regional development aid — Toyota did not ask for any from England — but rather the "attitude" shown by government officials toward Toyota's project.

Also part of Toyota's decision, analysts point out, was the positive experiences of Nissan Motor Co., which is gearing up to produce 200,000 Bluebird models a year in northeast England.

"Japan's car manufacturers are very clubby," said Richard Phillips, director of European automotive consulting for Stanford Research Institute. "When Nissan recently said that its U.K. plant had reached a standard of excellence not even found in its Japanese plants, that had to be an important factor for Toyota."

> **'Better the Japanese than the unemployed.'**
>
> *Pierre Bérégovoy, the French finance minister*

Also in Britain's favor, he said, was its recent transformation into a low-cost producer, and the fact that English is the foreign language most widely spoken by Japanese.

France let a much smaller prospect get away last week, when Fuji Heavy Industries Ltd. indicated it likely would drop its plan to build an assembly plant for Subaru four-wheel-drive vehicles near Angers. The plant, which would have produced up to 40,000 Subarus annually, had been under discussion for two years, but Fuji began to reconsider the project in November after a conflict arose on the issue of parts made in the European Community.

At the time, the French government said it would not exempt the British-made Nissan Bluebird from its 3 percent quota on Japanese cars. The Bluebird, it said, could not be considered "European" because less than 80 percent of its parts were to be made in Europe.

Fuji, in which Nissan has a 6 percent stake, had projected that 60 percent of the parts in its Subarus would be European made.

The French government reversed itself this spring, declaring the Bluebird could enter the French market as easily as any other EC-made car. And just before the meeting with Fuji executives last week, Mr. Fauroux indicated the 80 percent threshold for European content was no longer sacred.

"To hold on to percentages is mythology," he said, hinting that he would accept the 60-percent target first planned for the Subaru plant.

"The Subaru deal would be truly welcome, without conditions," he said.

As telling, the issue of parts "never even came up" last week, according to an Industry Ministry spokesman, who said Fuji had cooled to the Angers project for financial reasons.

Industry observers say the government will have to work hard and long to overcome its recent hostility and to convince others to come.

"The Japanese industry wants to invest in France," said an auto industry source. "It's got a good economy, good transportation, a strong car market and political stability. But it's up to the French government, industry and people to prove that they are willing to have Japanese investments."

The government especially needs to convince Renault and Peugeot.

Even last week, Raymond H. Lévy, chairman of Renault, appeared unwilling to give much ground. Taking a much harder line than his employer, the government, he said in an interview with the daily newspaper Le Monde that he still would oppose Japanese automotive production projects in France that do not contain at least 80 percent European parts, and which could create "production overcapacity that would threaten the ruin of the entire European automobile industry."

Mr. Phillips of the Stanford Research Institute predicted it would take "four to five years" before any significant investments are made by the Japanese auto industry in France, the minimum time required for smaller ventures, either in cars or components, to establish a track record.

One such venture under discussion would bring together Toyota and Renault in a joint design and manufacturing effort in France.

A government source said "a range of possibilities" were being discussed by the two companies, but he would not elaborate. Toyota said last week that the next step in its European development strategy would involve production of a light commercial vehicle, with start-up expected before 1994. The site is expected to be chosen within a year.

Mr. Lawson of Nomura Securities said he thought a Renault-Toyota link was conceivable in the area of commercial vehicles as well as passenger cars.

Toyota last year had 2.7 percent of the passenger car market in Western Europe, with sales of 350,000. More European plants, in addition to the 200,000-unit facility in England, will be required, Mr. Lawson said, if Toyota is to reach its goal of 4 to 6 percent of the market.

Renault would make sense as a joint venture partner, he said, speculating the French automaker could provide engines for a new chassis, the high developement costs of which the two companies could share. He envisioned a mid- to upper-range car that could be positioned around Renault's R21 model and sold through Renault's network of dealers.

ATLAS FUND
Société d'Investissement à Capital Variable
R.C. Luxembourg B 27255

NOTICE OF MEETING

Notice is hereby given that the first Annual General Meeting of ATLAS FUND will be held at the Registered Office in Luxembourg, 10A, Boulevard Royal, on:

Thursday 20th July, 1989 at 11 hours,

for the purpose of considering the following Agenda:

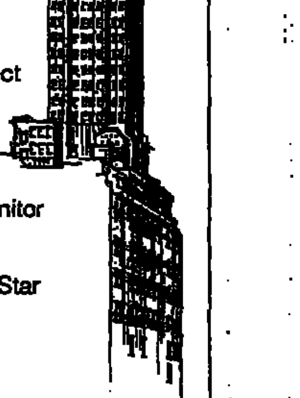
1. To receive and adopt the Management Report of the Directors for the year to 31st March, 1989.
2. To receive and adopt the Report of the Statutory Auditor for the year to 31st March, 1989
3. To receive and adopt the Annual Accounts as at 31st March, 1989.
4. To appropriate the earnings.
5. To grant discharge to the Directors and the Statutory Auditor in respect of the execution of their mandates to 31st March, 1989.
6. To receive and act on the statutory nomination for election of the Statutory Auditors for a new term of one year.
7. To transact any other business.

The resolution will be carried by a majority of those present or represented.

The Shareholders on record at the date of the meeting are entitled to vote or give proxies. Proxies should arrive at the Registered Office of the Company not later than twenty-four hours before the Meeting.

By order of the Board Directors,
J. Pierson
General Manager

The Carlyle Hotel



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WORLD STOCKS IN REVIEW / *Via Agence France-Presse*

Amsterdam

The dollar's drop and indications of substantial pressure on profit margins in basic manufacturing sent prices slightly lower, with the CBS general price index falling to 193.2 from 193.4 the previous week.

Volume rose to 8.0 billion guilders, of which 3.8 billion was equities, from 6.8 billion the previous week, when 3.7 billion guilders worth of stocks were traded.

The big chemical companies DSM and AKZO were weak. The financial services moved against the trend and rose.

With the dollar sliding, a factor that threatens exports, and the potential for unfavorable interem earnings reports, the Kempen & Co. brokerage foresaw further weakness in prices.

Frankfurt

Stock prices ended higher despite substantial profit-taking that followed a rally at the beginning of the week.

The Commerzbank index ended at 1,854.1 on Friday, up from 1,825.0 the previous week. It rose Monday and Tuesday, fell Wednesday and Thursday, then turned it a good performance on Friday to end the week ahead.

Volume for the week totaled 34.93 billion DM on the country's eight exchanges, against 33.54 billion the previous week.

Analysts said investors were reacting favorably to the dynamic performance of the West German economy, following a period of relative calm on financial markets after the Bundesbank's recent increase in interest rates.

Bank stocks, neglected for some time, showed good gains on the week, as Dresdner Bank rose 21.50 DM, to 350, Deutsche 26.80, to 626.80, and Commerzbank 28.50, to 276.50.

Chemicals also were popular, with BASF advancing 7.10, to finish the week at 299.70, and Bayer 7.50, to 301. Among electricals, Siemens finished at 585.50, up 14.70. In autos, BMW lost 14.50, to 546.50, and Volkswagen shed 10.60, to 424.40, but Daimler-Benz rose 18, to 709.

Hong Kong

Renewed buying interest following the recent slide led the market to good gains for the week.

The Hang Seng index gained 102.03 points, closing at 2,375.94 Friday. The Hang Seng added 54.91 points the previous week. The broader-based Hong Kong index finished the week 68.34 points higher, at 1,568.66. It gained 35.96 points the prior week.

Trading was generally dull, with turnover expanding slightly, to 692 million Hong Kong dollars from 628 million.

After a slight loss Monday, the market rose for the rest of the week. Expectations of a drop in local interest rates gave a boost at the end of the week.

London

Prices rose on the week, boosted by a rising pound and takeover developments.

The Financial Times 100-stock index rose 38.1 points, to 2,189.1.

Leading exporters, however, were depressed by strength in the British currency, which could lead to competitive disadvantages for them by making their products more expensive.

Ward White rose after Boots offered £800 million for it. Boots was weaker.

Plessey shares recovered from an early loss when talks with General Electric Co. of Britain broke off, leading to hopes that GEC and Siemens of West Germany would renew their bid for it.

Scottish & Newcastle eased after its acquisition of a 65 percent share in the Dutch leisure company Center Parcs for £218 million.

Consolidated Gold Fields slipped after the board recommended Hanson's £3.5 billion bid.

MAI fell after announcement of a merger of its media division with Havas of France.

France

Stocks managed a small gain for the week in dull trading. The CAC index finished at 481.4 on Friday, up from 476.1 a week earlier.

The week was marked by investor enthusiasm for shares of Groupe Yves Saint Laurent Group, 400,000 of whose shares are being floated. Huge demand forced the issue to be delayed from Thursday until Monday.

Singapore

Heavy institutional buying led the market to its highest close since the October 1987 global stock price collapse.

The Straits Times Industrial Index rose 28.02 points, to close at a post-collapse high of 1,335.69. It rose 17.38 points the previous week. The SES all-share index advanced 5.70 points on the week, to 352.54. It had gained 3.68 points the previous week.

Volume for the week fell to 535 million units worth 923 million Singapore dollars from 649 million shares worth 882 million dollars the previous week.

Tokyo

Japanese stock prices advanced sharply, partly overcoming recent weakness as the yen gained strength, although volume remained sluggish.

The Nikkei 225-stock average posted a hefty 755.28 yen gain, closing at 33,703.97 Friday, following a 582.02 yen loss the week before. The Tokyo Stock Price Index of all common stocks listed on the market's major section chalked up a 57.91-point advance, to end at 2,507.29, after shedding 50.42 points the previous week.

Prices rose as the dollar fell amid signs of a slowdown in the U.S. economy and the possibility of lower American interest rates. But the market lacked energy, analysts said.

"Investors were hunting for reasonably high-priced issues and were just playing games," one said. "The limited funds were dispersed, causing the market to lack focus. It's hard to predict what will happen next week."

Zurich

Prices rose, with interest focussed on financial services issues. The Crédit Suisse index finished at 616.6, up from 606.7 the previous week, while the Swiss Bank Corp. indicator closed at 648.1, up from 638.1.

Institutional investors were heavy buyers, dealers said.

Investor Does Not Plan IEL Deal

Reuters

SYDNEY — Abraham Goldberg, the Melbourne investor, said Sunday he did not expect to have to make a deal with Adelaide Steamship Co. to gain control of Industrial Equity Ltd.

Adelaide, on Friday, had revealed an 11.6 percent stake in IEL, the New Zealand-based investment concern that has been controlled by Sir Ron Brierley, prompting speculation that Adelaide's managing director, John Spalvins, was trying to extract a full bid for IEL instead of the $971 million acquisition of 52 percent proposed July 3 by Mr. Goldberg and IEL's top management.

But asked in a television interview if he would have to come to some accommodation with Mr. Spalvins, Mr. Golberg replied, "I don't think so."

A private company, of which Mr. Goldberg owns 75 percent and IEL's managing director, Rod Price, and its chairman, Bill Loewenthal, own 25 percent, said July 3 it had acquired about 150 million shares of stock in IEL from its former parent, Brierley Investments Ltd., at 2.40 Australian dollars ($1.82) a share.

The Goldberg company proposes to buy another 98.7 million shares from Brierley Investments as well as 156 million from Goodman Fielder Wattie Ltd., the big Australian foods company. That purchase, at the same price but subject to IEL shareholder approval, would bring the acquisition to 52 percent.

Mr. Spalvins has declined to give a reason for buying IEL shares, but he questioned whether the Australian Companies Code would be breached by only a partial bid.

The National Companies and Securities Commission chairman, Henry Bosch, said on the same television program, Business Sunday, that his agency had received a copy of the July 3 agreement "and as far as we can tell it is in line with our policy."

Mr. Price, on the program, ruled out any revision in the price of the proposed acquisitions of IEL shares.

Goodman Fielder had bought its 19.9 percent stake from Brierley Investments for 2.40 dollars a share in late June as a prelude to a planned full cash-and-securities offer. Analysts said then that Sir Ron was restructuring his holdings in a way that would allow the New Zealand financier to raid companies in Europe and the United States.

But on July 3, Goodman Fielder dropped its 1.8 billion dollar bid, which was conditional on a 90 percent acceptance by IEL shareholders, in response what it said, without elaborating, was opposition from a significant number of shareholders, "including Brierley."

To Our Readers

Information on the Milan stock market was unavailable because of technical problems.

Siemens Says Profit Will Increase as Much as 9%

Reuters

ISTANBUL — Siemens AG said Sunday that it expected group net profit to grow by 7 percent to 9 percent in the business year ending Sept. 30 because sales and orders had risen the first eight months.

Last year, the West German electronics giant reported a net profit of 1.4 billion Deutsche marks ($2.6 billion); a 7 percent increase would bring that to 8 million DM.

Siemens' chairman, Karlheinz Kaske, speaking at the company's annual summer news conference, said that group revenue from Oct. 1, 1988, to May 31, 1989, had increased to 38.8 billion DM from 35.2 billion for the same period the previous year, while orders had risen to 42.4 billion DM from 36.0 billion.

Mr. Kaske said that Siemens' takeover bids for Rolm, a unit of International Business Machines Corp., and Plessey Co. of Britain were progressing but had yet produced no results.

He added that most of the negotiations with IBM had been completed and that the purchase price, which had not been fixed, would be substantially lower than the $1.1 billion to $1.2 billion reported in the press.

He said Siemens expected revenue for the 12 months to rise to at least 60 billion DM from 59.4 billion, which would be one or two billion DM higher than forecast in January. He said the increase would be achieved even though only one nuclear power plant contract would be completed this year, down from two the year before.

Siemen's finance chief, Karl-Hermann Baumann, declined to say whether the group planned to raise its dividend from the 11 DM paid in 1988 but noted what he called the company's philosophy of adapting dividends to earnings.

Mr. Baumann said talks with Plessey — the bid is being made jointly with General Electric — were not expected to be concluded before the end of the business year. That takeover offer is being examined by the British Ministry of Defense.

Only after these talks are completed, will Siemens and GE decide how to proceed and whether to make a fresh offer for Plessey, Mr. Kaske said.

He denied reports that Siemens was only interested in Plessey's telecommunications business but said the company had many other attractive areas of business such as semiconductors.

Mr. Kaske also said that Siemens had caught up with Japan in the development of four-megabit chips and planned to begin mass production in the last quarter of this year.

American Exchange Options

Figures as of close of trading Friday. July 7

Option & price		Calls			Puts	
		Last Jul	Aug	Nov	Jul	Aug
[illegible]						

Open Interest 2,7[illegible] r—Not traded. s—None offered. o—Old.

Chicago Exchange Options

Figures as of close of trading Friday. July 7

Option & price		Calls		Puts	
		Last Jul	Aug	Jul	Aug
[illegible]					

Open Interest 4,[illegible] r—Not traded. s—None offered. o—Old.

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

Stock	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
(Continued)							
UnBnk	1.16	4.1	839	29	27½	28½	+1
UAEn A			7628	19½	19	19¼	— ¼
UAEn B			1729	19½	19⅛	19⅛	— ⅛
UnBlars			365	⅞	⅞	⅞	+ ⅛
UBCol	.10e	.5	1181	19½	17½	19¼	+1⅝
UBWV	.60	4.5	50	13¼	12¾	13¼	+ ⅜
UCarBk	.60	4.0	162	15¼	14¾	15	+ ¼
UCtyG s	.88	6.2	548	14½	14¼	14¼	
UnCoast			107	3⅞	3⅝	3⅝	
UnCosF	.60b	3.4	113	18	17	17⅝	+ ⅝
UnDom	1.20	6.6	670	18¼	17¾	18¼	+ ⅜
UnEdSl			782	2¾	2⅜	2⅜	
UnFdBc	.06e	.5	13	12	11⅝	11¾	+ ½
UFinSC			6	14¾	14	14¾	+ ½
UFireC	1.20	3.7	209	32¾	32¼	32¾	+ ¼
UGame			377	12	11½	11¾	— ¼
UGrdn			324	9⅝	8	9⅛	+ ⅜
UHltCr			18285	10⅝	8⅝	10½	+1⅝
UtdHm	.30e	6.9	6	4⅜	4⅜	4⅜	
UtdIns			21	11½	10⅞	11½	
UtdInv	.30	1.7	176	18	17⅝	18	
UMoBn	.80	2.8	38	28⅝	28	28½	+ ½
UnNMx	.25e	1.7	501	14¾	14¼	14½	— ⅛
UtdNwsp	.80e	5.5	1212	14½	13¾	14½	+1⅜
UtdSvrs	.361		3512	10¼	9½	9⅞	— ⅛
USvBk	.36	4.5	16	8⅛	8	8	
USB Or			259	14½	14	14½	+ ¼
USBkVa			14	7	7	7	
US Bcp	1.00	3.2	3700	31⅝	30¾	31⅝	+ ⅞
US BPa			39	12½	12	12½	+ ½
US Bc pf	2.12	9.5	10	22¼	22	22¼	+ ¼
US Enr			46	6¾	6⅜	6¾	+ ⅜
US Facl			505	2½	2¼	2½	+ ¼
US Gold			3263	1⅜	1	1⅜	+
US HltC	.20	1.6	10948	12⅞	11½	12¼	+1⅛
US Infc			16	6	5⅝	6	— ¼
US Prca			319	¾	⅝	⅝	+ ⅛
US Trst	1.52	3.9	17089	41⅜	37	39	— ⅛
USWNV			10618	37¾	34¾	37½	+ ½
UStam	.40	1.9	2361	21¾	21	21½	+ ¼
UnTelev			284	35½	35	35¼	+ ¼
UnTote s			15	12½	11¾	12¼	+ ¼
UnVIB s	.60	3.9	43	15¾	15	15⅝	+ ⅜
Unitog			879	14½	13⅞	14⅛	— ¼
Unitrnx			62	5⅞	5¼	5⅞	+ ¼
UnvHlt			1649	10⅛	9⅝	10⅛	+ ½
UnvHld			70	1⅞	1¾	1⅞	
UnvSec			147	1⅝	1½	1½	
UnvVolt			10	1½	1½	1½	
UnivBT	.60	1.3	8	47	47	47	+ ½
UPenEn	2.22	8.5	37	27	25½	26	+ ¼
UtahMd			630	3⅞	3⅝	3⅝	
V							
V Band			531	7½	7	7	— ⅛
VLSI			4602	8¾	7⅝	8⅛	+ ½
VMS	1.08	14.6	378	7⅝	7	7⅛	+ ⅛
VMS II	.84	14.0	1432	6	5⅞	6	+ ⅛
VMS III	.90	14.1	471	6½	6	6⅜	+ ⅛
VMS SL	1.20	15.2	603	8¼	7⅝	7⅞	+ ⅛
VMS SL2			631	8	7⅝	8	+ ¼
VMX			1140	4	3⅝	3¾	— ¼
VSB Bc	.40	3.2	39	12½	12¼	12½	+ ¼
VSE	.28	2.8	9	10⅛	10	10⅛	
VWR	.80	4.0	341	20⅛	20	20⅛	
Valcom			27	11	10⅞	10⅞	— ⅛
ValidLg			11093	5⅛	4⅝	5⅛	+ ⅜
Vallen			484	41¾	38½	40	—2
ValyB	1.04	4.5	148	23⅛	22½	23¼	
VlyCap s	.80	2.3	107	35	34½	35	+ ½
ValFSL			660	11	9⅝	9¾	—1¼
VlyBcp	1.30	4.7	497	27½	26	27½	+ 1½
ValNtl	1.44	5.4	5530	26½	25¼	26½	+ ⅜
Valmnt s	.40	1.5	29	27¼	27	27¼	+ ⅛
ValLn	.60	2.8	40	22	21	21¼	+ ¼
VanGld			799	2⅛	1⅞	2⅛	+ ⅛
VanFed			540	10¼	9⅞	10¼	— ⅛
VardCl s			2750	34¾	32½	33	—1¼
VariCre	.04	.9	17	4⅝	4⅜	4⅜	— ⅛
Vartim			3387	13	12⅝	12⅝	
Varian	.60	2.2	191	27	26½	26⅞	+ ⅛
VeloBd			155	8	7¾	7⅞	— ⅛
Ventrex			122	1⅝	1¼	1¼	— ¼
Ventur			6	13⅛	13	13	— ⅛
VtFin	1.00	4.6	216	21⅝	21¼	21¾	
Veronx g			1385	4⅝	4	4½	+ ⅞
Versa s	.20	1.0	298	19⅝	18½	19⅛	+1½
Vestar			161	4⅛	4	4⅛	+ ⅛
VertexC			121	4⅜	4⅛	4¼	+ ⅛
Vicorp			1169	15⅝	14½	15⅝	+ ⅞
VictBn			5	10½	10	10½	+ ½
VictCr			590	5	4½	5	
VidDsp			44	8¼	8	8	
VideFr			185	2⅞	2⅝	2⅝	— ⅛
ViewMs			148	9	8⅝	8⅝	+ ⅛
VllSaM	.15	.8	271	17¾	17	17⅝	+ ⅝
Vinland			15	⅜	¼	¼	— ⅛
Visont			415	9	8⅝	8⅝	+ ¼
Viratek			8013	12½	12½		
VaBch	.20a	2.3	224	8¾	8¼	8¾	+ ¼
VaFst	.10a	2.4	339	4¼	4	4¼	— ⅛
VistaOr			512				+ ⅛
VistaLP			702	1⅜	1⅛	1⅛	+ ⅛
Vitalnk			3364	16⅛	15⅞	16⅛	+ ½
Vivigen			1151	17¾	15	17½	+2½
VoltInf			22	16¾	16⅝	16⅝	— ¼
Volvo	1.84e	2.6	749	71⅝	66⅝	71½	+4⅞
W							
WCRS	.15e	1.7	37	9	8⅝	8⅝	
WD 40	1.60a	4.9	1917	33	32½	32¾	
WLR F s	.10f	.4	241	28½	27	28	+1⅛
WNS			3	6	6	6	
WPP Gp	.71e	3.4	142	21	20⅝	21	— ⅛
WSMP	.16	2.1	75	7¾	7½	7½	— ⅛
WTD			1173	11½	10¾	11¼	
WalnBk			105	11½	10¾	11½	+ ⅛
Walbro s	.40	2.7	38	15	14	14¾	— ⅛
WlkrTel			48	1⅝	1⅜	1⅜	
WallSnd			22	3⅝	3⅛	3⅛	+ ⅛
Walshr	.20	2.6	2	7⅝	7⅝	7⅝	— ½
WaltCp	.48	4.9	43	9⅞	9⅝	9⅝	
WrhseC			78	3⅜	3⅜	3⅜	
WardWh	.42e	2.8	146	22¼	21⅜	22¼	+7⅛
Warren			142	6⅞	6⅞	6¾	— ⅛
Warwk			84	5	4⅞	4⅞	— ⅛
WshBcp	.28	1.7	165	16½	16¼	16½	
WBcDC	.28	1.8	356	16½	15½	15¾	— ½
WashEn	1.32	6.9	1543	19⅝	18¾	19⅛	+ ⅛
WFSL	1.20	3.3	13508	36½	35	36	+ 1
WshFOr	.30	3.1	77	10⅛	9⅝	9⅞	— ⅛
WshFDC			153	4½	4⅜	4½	+ ⅛
WMSB	.40	1.8	12031	22⅝	18½	21⅝	+3⅛
WshSvg			12	2	2	2	— ⅛
WshSci	.16	1.6	796	10½	9⅞	9⅞	— ⅝
Watfd un	.21e	1.8	1	11⅛	11⅛	11⅛	+ ⅛
Watrhse			45	6	5⅞	5⅞	— ⅛
Watrin	.08e	2.0	20	4	4	4	— ⅛
Wattsind	.16	.5	1423	33¼	31½	33	+1½
WausP	.60b	1.7	607	35¼	34¼	35½	+ 2
Waver	.36	1.2	69	31½	31	31	— ⅛
Wavetk			273	5¼	5	5	+ ⅛
Waxman	.10	1.3	591	8	7⅝	8	+ ⅛
WbstCl			342	2⅝	2⅜	2⅝	— ⅛
WbstFn	.48	3.8	102	12⅝	12½	12⅝	+ ⅛
Wegenr			277	4	3⅝	3⅞	— ⅛
WeigTr	.40	1.9	18	21⅛	21¼	21¼	— ⅛
Welsfd	.60	2.3	71	26⅝	26	26½	+ ½
Weltek			2191	12⅞	12	12⅝	+ ⅝
Wellcm			584	13	11⅝	13	+1⅛
Werner	.08a	.4	1081	18¼	17½	18¼	+1
Wesbnc	1.20	4.1	78	30	29	29	
WtMass	.28	3.9	129	7⅛	6⅞	7⅛	
Wtnewm	.16e	1.3	45	8⅝	8¼	8¼	— ½
WstOne	1.30	3.2	410	37¾	35⅞	37⅛	+1⅛
Wstrbke			23	1⅜	1⅜	1⅜	
WtBank	†		44	11¾	11¼	11½	+ ¼
WstCap			1253	11	10⅝	10¾	+ ⅛
WnCmc			107	2	1¾	2	+ ⅛
WnFncl	.09r	1.9	37	4⅝	4½	4⅝	+ ⅛
WnWste			115	21	20½	20⅝	+ ⅛
WMicTc			598	6	5⅝	5¾	— ⅛
WMicr			54	1⅝	1¼	1⅜	— ⅛
WstnPb			7130	21½	20¾	21⅛	+ ⅜
WtMrcA			535	29½	29	29¼	+ ¼
Wstmrk			4012	37½	35	36¼	+ ½
WmorC			137	21½	20½	21½	+1
Weston			1067	11⅞	10¾	11¼	+ ¼
WstpBc	.34	3.7	27	9¾	8⅝	9⅛	+1⅛
WstwOn			2417	11⅝	10⅛	11⅛	+ ⅛
Wetra	.56	2.0	1323	28⅞	27½	28⅝	+ ¾
Weynbg	1.00	2.1	1	48	48	48	+1½
Wharf			405	4⅞	4½	4⅝	+ ⅛
Whelbrt			17846	7¾	7⅛	7½	+ ⅛
WhelTch			2659	27¾	26¼	27	+ ⅞
Whlclub			3207	12⅝	11⅝	11⅝	— ⅜
WhlCl pf	2.12	6.8	217	33	31½	31¼	—1⅜
Wicat			573	1⅝	1⅜	1⅝	— ⅛
WilyJ A	1.10	1.9	469	57	55½	57	
Willamt	1.45	3.3	1168	43¾	42½	43½	+ ¾
Willml			10	12¼	11⅝	12¼	
WmSon s			295	22½	21½	21½	— ½
WilmTr	1.24	3.2	313	39	38½	38¾	+ ¼
WisSGs	1.18b	3.6	1	33	33	33	
WiscTy			449	12¼	10½	12½	+1⅞
WiserO	.40	2.5	1024	16⅛	15½	16	+ ⅛
Wolohn	.28	1.6	271	17¼	16½	17¼	+ ⅛
WlvEx h			496	6⅛	5⅝	6⅛	+ ½
Wolv wt			173	2⅛	1⅞	2	+ ⅛
Woodhd	.60	4.3	298	14⅛	13⅝	14	+ ¼
Wordst			809	2⅜	2⅛	2⅜	
WWTch			50	4½	3⅞	4	— ⅜
Worthg	.48	2.1	2606	22⅞	21⅝	22⅝	+ ¼
Writer			5				—
Wyman	.80	4.2	912	19⅛	18⅞	19	— ⅛
WyomNt			3	13½	13½	13½	+ ¼
X							
XL Dta s			735	21⅜	20½	21⅛	+ ⅜
XOMA			1141	18	16⅝	18	+1
X-Rite s	.08	.8	68	10⅛	9⅝	10⅛	+ ⅜
Xicor			5336	6¼	5⅞	6⅛	
Xplor	.30	8.6	6	3⅝	3½	3½	— ⅛
Xscribe			432	1⅝	1⅜	1⅜	+ ¼
Xylogic			678	9¾	9⅛	9½	+ ⅜
Xyvsn			4123	6⅞	6⅜	6⅞	+1⅛
Y							
YanEnS			2805	22¾	20½	22½	— ½
YelowF	.70	2.5	2777	27½	26⅝	27½	+ ⅛
YorkFn	.64b	4.1	136	15⅝	15	15⅝	+ ¼
YorkRs			248	4¾	4⅝	4⅝	— ⅛
Yrkrdg			79	4⅝	4½	4½	— ¼
Z							
Z Sevn	.09e	.6	88	14½	13½	14½	+ ⅜
Zentec			471	⅝		⅝	+ ⅛
Zeus			2	3⅛	3⅛	3⅛	
Ziegler	.52a	3.3	42	15¾	15¾	15¾	
ZionUt	1.44	5.6	130	25¾	24¾	25½	+ ½
Zitel			570	4	3⅝	3⅝	+ ¼
Zycad			408	3⅛	2⅞	3	
Zygo			55	4⅝	4⅜	4⅜	— ⅛
Zymos			635	1⅛	1	1⅛	

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(Continued From Back Page)

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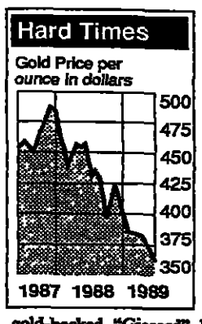
A Monthly Report for the International Investor — Herald Tribune — *Monday, July 10, 1989*

PERSONAL INVESTING

FOCUS

A Bet on Gold For the Bears



BACK in the days when gold was riding high, bonds linked to the metal's fortunes enjoyed a vogue. The allure was clear: Investors could bet on a further run-up in gold prices while still receiving a bit of interest income. With gold buoyant, it did not seem to matter that the coupon was lower than for other bonds of equivalent risk.

The now legendary example was the French gold-backed "Giscard" bonds. These government notes linked interest payments and redemption value to the price of gold for the period between 1973 and 1987. Rising gold prices propelled the original 6.5 billion French franc value of the bond to 56 billion francs, or the equivalent of about $9.2 billion when the bonds were retired.

But with gold's persistent slump in recent years, betting on a rebound no longer entices investors. Neither international calamities nor inflation fears seem to stir the gold markets these days. It is hardly surprising, then, that a recent gold-linked bond issued by Norway's Exportfinans insurance group represented a bet against — not for — gold. When gold slips, the value of these bonds rises.

That idea appealed to Herschel Post at Shearson Lehman Global Asset Management in London. He bought about $6 million of the three-year bonds for four precious metals portfolios managed by his firm.

"We wanted a hedge against disinflation in the world economy," says Mrs. Post. "These bonds give us the opportunity to have some negative exposure to gold and at the same time participate in a rising bond market."

MANAGERS of precious metals funds, which have been hit hard by gold's slump, were prime targets for the issue, says Jim Riley, vice president at J. Aron Co., the Goldman Sachs division that underwrote the $100 million issue. The bonds would also interest investors expecting bonds to benefit from an economic slowdown, and long-term owners of gold who want to hedge their holdings. The bond carried a face value of $50,000 in the United States and $10,000 in the United Kingdom, with a hefty annual coupon rate of 14.5 percent and 14.75 percent, respectively.

"Gold was no longer reacting to events that historically have sent prices higher," Mr. Riley explains. "We wanted to offer clients a way to earn a high yield by being short in gold."

The bond's link with gold is through its value when the bond is redeemed in 1992. The redemption value is gold's price at the time of issue — $385.90 an ounce. As the price of gold declines from that level, the value of the bond increases. Conversely, should gold reverse itself and rise above $385.90 by 1992, the value of the bond will depreciate.

So far, the bonds are looking like a smart move. A $1 million investment in these bonds when they were issued roughly equaled 2,600 ounces of gold. The price of gold has dropped nearly $15 an ounce since issue. Under terms of the bond, $1 million face amount of the issue is now worth about $1.04 million. That equals about 2,700 ounces of gold at the issue price of $385.90 each. Plus, the holder is receiving the coupon payments.

And the downside should gold rise? Mr. Riley figures that a rise in gold prices to $450 an ounce would mean investors would do just as well buying U.S. Treasury bonds, based on current yields. If gold were to surge to $685 an ounce by the time the bond falls due, its decline in value would about wipe out the interest payments.

One problem with these bonds is the lack of an active secondary market. That means that the difference between the prices quoted for buying and selling the issue can be quite large, leading to high costs for investors trying to sell the bonds before they mature.

"An individual would be advised to buy only if he were prepared to hold it until it matured," says Shearson's Mr. Post. "If they want to get their money back right away, they may be disappointed."

While the Exportfinans represents a decidedly bearish bet on gold, there are still investors around who believe in gold as hedge against inflation and other developments that could devastate the financial markets. For year, Swiss bankers in particular have been urging clients to put 5 to 15 percent of their portfolios in gold — just in case.

"There are many people, particularly in Europe, who keep gold as a portion of their portfolio for the

Continued On Page 13

Apartments: Where Buyers Have the Upper Hand

In London, economic upheavals jolt the property market.

By Nigel Adam

London

THE LONDON real estate market is well and truly in the doldrums. Having survived the stock market plunge of October 1987 reasonably intact, real estate prices have been jolted by the dramatic rise in interest rates. Worse, the rise in interest rates may have further to go.

Sales figures offer testimony to the market's slowdown. The number of sales have declined by more than 50 percent in the first five months of the year, compared with the 1988 period, according to Halifax Building Society, Britain's largest. And average prices are moving lower, too.

"Some areas of London are definitely seeing slight falls in property prices," says Peter Goodwin of the London Research Centre, which is sponsored by the city's boroughs. Halifax estimates that average prices of London houses and apartments dropped about 2.5 percent in the first quarter of 1989 from levels in last year's fourth quarter.

Real estate agents prefer to talk of the stable, rather than falling, prices. And it is true that the declining number of transactions makes any analysis of price trends tentative. But there are areas where the slump is evident.

One is the fashionable Docklands area near the City, London's financial district. A year ago, a two-bedroom flat overlooking the river in this newly developed area might have fetched £250,000. Now, according to Ruth Schechtman at Clapshaw's estate agency, the asking price is nearer £160,000.

The Docklands offers the most pronounced example of the problems facing the real estate market since it has suffered far more than most areas from a downturn in the securities industry that shows no sign of ending. The young professionals for whom the Docklands were designed have seen their disposable incomes slashed.

More significantly, its development attracted speculators who bought apartments and houses under construction in the hope of making an attractive profit on completion. "This kind of futures activity is highly unusual in the London property market," notes Mr. Goodwin.

Now, newly completed residences are adding to the already long list of unsold properties. This forces investors to rent their properties while they wait for values to recover. "There is currently a flood of rental properties on the Docklands market," says Ms. Schechtman.

Investors as a group have largely pulled out of London's real estate market, leaving it to owner-occupiers and those looking for a mere pied-à-terre in the capital. Fears that Britain's economy may be heading for a harder landing than once thought is likely to keep them out.

In prime residential areas such as Belgravia, Knightsbridge, Kensington and Chelsea, this means stagnant rather than falling prices. However, sales remain slow. "That's especially true of

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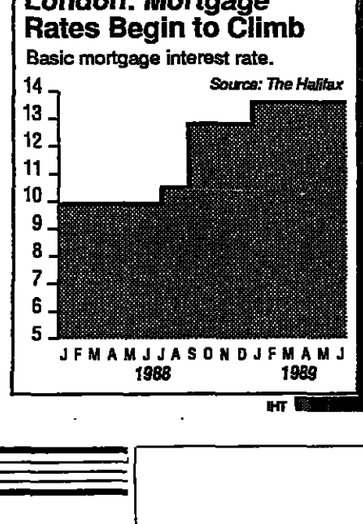

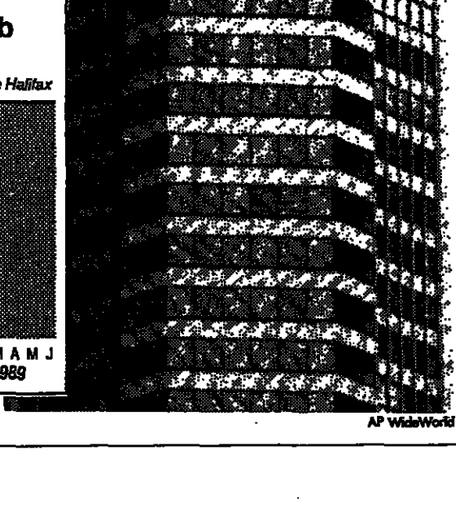

The City Spire building on Manhattan's West Side, one of dozens of high-rise apartment buildings completed in the last two years.

AP WideWorld

Potential purchasers in N.Y. are waiting for lower prices.

By Cindy Catterson

New York

WHEN A young, professional couple started looking for a two-bedroom apartment on the Upper East Side of Manhattan earlier this year, their broker felt certain they would be able to find something in their $550,000-to-$650,000 price range. But after two months of looking, the investment banker and his wife, a lawyer, decided instead to renew their apartment lease for another year.

"They felt that the real estate market wasn't going to take off as long as there is so much uncertainty about the economy," explains Barbara Corcoran, president of The Corcoran Group, a Manhattan real estate brokerage. "They felt they could afford to wait and see if prices would come down some."

Whether the couple has accurately gauged the market remains to be seen, but Ms. Corcoran's story is not unique. Other brokers report similar episodes, describing the current market for New York apartments as, at best, a no-win situation. Buyers are holding out for a bargain, and sellers are reluctant to slash prices.

"Buyers have the impression that prices should be a lot lower," explains Rodney Crombie, a residential sales broker at The Halstead Group. "But sellers are still holding on to the notion that they can make a killing, and they are unwilling to compromise on their expectations about the value of their apartments."

Some followers of the New York real estate scene say these soft conditions will not last long. The number of new apartments coming into the market will dwindle in the next few years, they say, tightening demand and pushing up prices.

Other experts, worried about a prolonged slump in New York's economy, are less sanguine. Whatever the outcome, patient buyers may be able to find a few bargains in the meantime.

Two important indicators of the market show a leveling off of prices for all but the large, eight-room-plus apartments priced at $1.2 million and up. One gauge is the length of time that apartments typically are on the market before being sold. According to a study conducted by The Corcoran Group, by June of this year, apartments were on the market an average 24 weeks before they were sold, compared to the average 20 weeks at the beginning of this year

Another sign of market slackness is the difference between asking prices and actual selling prices. Buyers have been able to negotiate an average 14.1 percent reduction from the initial asking price, compared with a 13.2 percent difference in January, according to the Corcoran data.

While Manhattan residences appreciated an average 9 percent in 1988 overall, the real gainers were those higher priced, larger units, which gained as much as 13 percent. The smaller

Continued On Page 12

PROFILE

A Tokyo Guru Bucks the Trend

By David Russell

Tokyo

THE TOKYO Stock Exchange's ascent may have slowed a bit in recent months after last year's blistering 40-percent surge, but Japanese enthusiasm for investing continues to set new highs. University investment clubs compete with rival schools over portfolio performance, housewives follow stock reports on daytime television, and families purchase shares at home using personal computers.

For many of these individual investors, Toru Matsumoto's is virtually synonymous with the Tokyo Stock Exchange. While few foreigners would recognize his name and Japanese investment professionals will probably never regard him as a colleague, the 59-year-old adviser has over three decades built a big following with his no-nonsense views on the Tokyo market. His popularity is all the more intriguing in a country which, unlike the United States, is not inclined to confer celebrity status on adviser with no connection to a major investment institution.

John Clawley

Toru Matsumoto

"It's just like a casino," says the energetic Mr. Matsumoto of the Tokyo market. "When we Japanese go to Las Vegas, it all looks so confusing. Once somebody explains the rules to us,

Continued On Page 13

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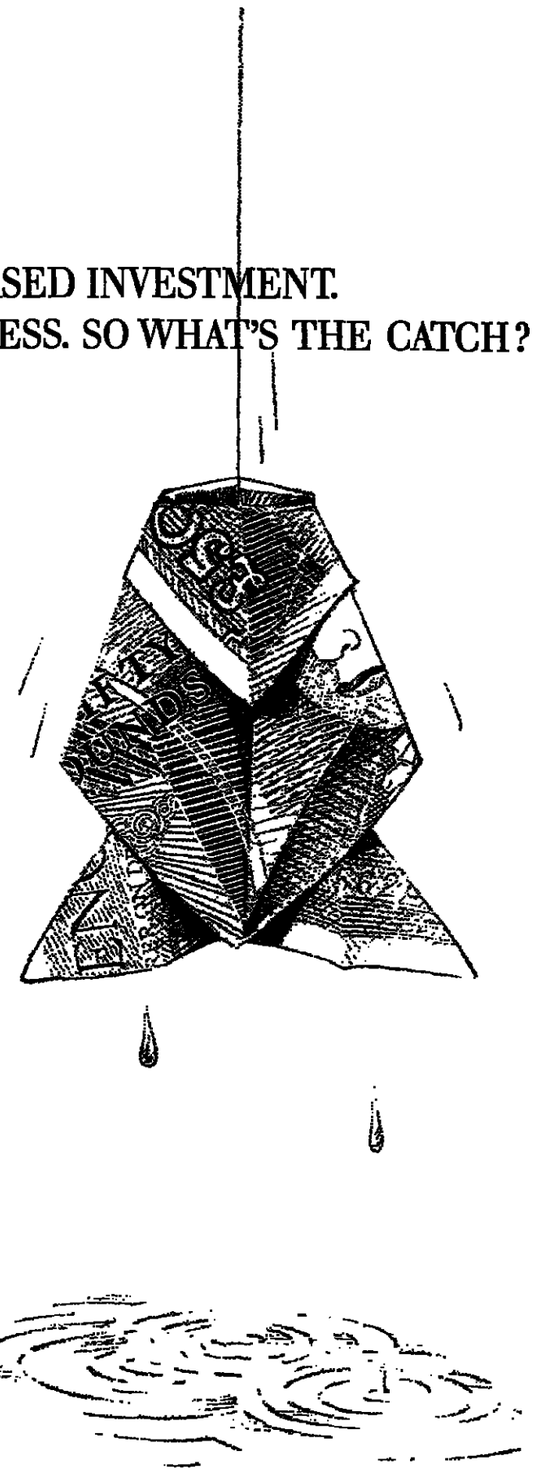

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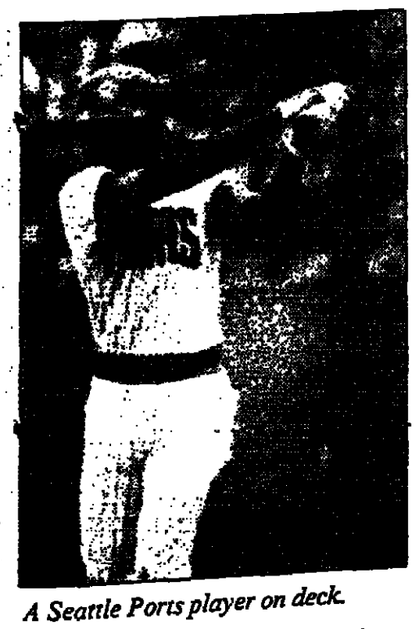
HOME RUN

Baseball: Minor Leagues, Major Payoffs



A Seattle Ports player on deck.

By David C. Lanchner

New York

JEFF COWAN, a Los Angeles-based movie producer, and his wife Aileen Adams, an attorney, first thought of buying a minor league baseball team after playing Trivial Pursuit, the parlor game that puts a premium on knowledge of the inconsequential.

But the couple's purchase of the Stockton Ports baseball team for $250,000 in 1986 along with nine other investors proved to be anything but inconsequential. In the last three years, attendance has soared from 600 to 900 people a game, and the owners say they recently turned down an $800,000 offer for the team.

"I'd like to say it was business acumen that brought us to the Ports, but it was just gut instinct," says Ms. Adams. "We did it primarily for fun, and we only thought we'd make money if we were lucky."

The Ports' tale of success is hardly unusual. The value of minor league baseball teams has increased 10 to 20 times in the last decade, according to Bob Freitas, a partner at Baseball Opportunities, a Scottsdale, Arizona, broker of minor league baseball teams. In the same period, attendance has swelled about 65 percent, according to the National Association of Baseball.

A resurgence in traditional values explains some of the renewed popularity, say followers of the sport. The Toledo Mudhens, the Niagara Falls Rapids, the Fresno Bees and other quaintly named ball clubs harken back to a simpler period when the affairs of most Americans rarely took them beyond their hometowns. The goal of minor league players, whether young rookies or weathered veterans, is to play in the "big show" of major league baseball, which supports the local teams to ensure a ready pool of talent.

"Ten years ago no one wanted these ball clubs," says Miles Wolf, the publisher of "Baseball America," an industry newsletter and the owner of the Durham Bulls. "During Vietnam — and for a few years after it — baseball hit a really low peak with the whole anti-motherhood, apple pie and baseball thing."

Such disenchantment faded in the boom years of the 1980s. As evidence, he cites a spate of nostalgic baseball films that have appeared recently, including Field of Dreams and Bull Durham, a fictional ac-

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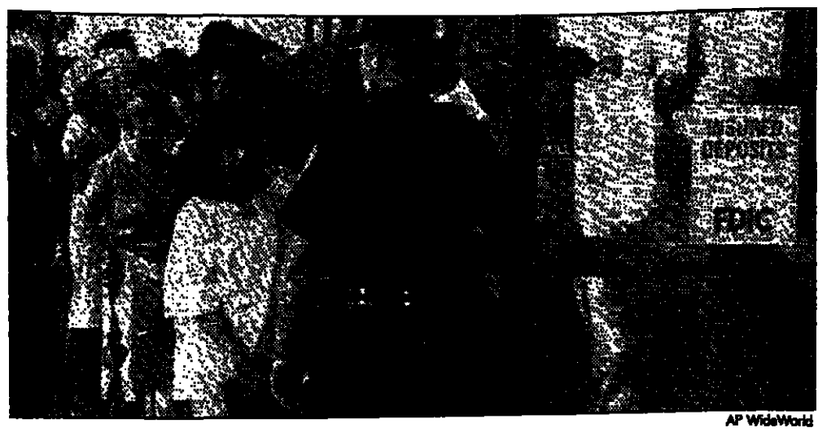
BONDS



AP WideWorld

Depositors line up at Miami bank that failed in 1986.

Playing the S&L Lottery

The regulators may, in the end, decide who wins.

By Bruce Hager

New York

RUSSIAN roulette. A crapshoot. The most dangerous of the dangerous games. Few experts mince words when referring to the latest Wall Street gambit: investing in ailing savings and loans.

The trick is to invest in a thrift's high-coupon debt, sometimes selling at a deep discount due to a bank's fragile financial condition, and hope that the bank will pay the interest.

CenTrust Savings in Florida is one example. During the first six months of their fiscal year, the bank lost $16.3 million. But it still paid close to $10 million in dividends to preferred shareholders as well as interest on its 15.875 percent bonds, which were selling between 50 and 60 cents on the dollar.

Fueling the risk in such investments is the federal conservatorship program begun last February. Regulators have stepped in to take control of insolvent savings and loans, which can mean canceling interest payments to conserve assets. If a bank is put into receivership, or liquidated, bondholders could be wiped out.

Furthermore, a bill backed by President George Bush would give the Federal Deposit Insurance Corp. broad powers to decide what creditors' claims are valid, how they are valid, and how they would be settled. Congress is expected to approve a version of the bill later this summer.

"The biggest problem here is that until the bill comes out, you're asking people to make an investment without knowing the rules of the game," says Jay Luftig, an investment adviser with Drake Securities in Santa Monica, California, who specializes in distressed situations and represents several thrift investors.

Bondholders in conventional bankruptcies look for secured debt that includes a claim on a company's assets as compensation if a company has to liquidate. But with an S&L, the assets can be negligible once depositors pull out their money.

Not all of the estimated 3,000 thrifts are bankrupt. About 1,000 are healthy institutions with no core problems. A second group of about 1,500, which some analysts call "tier 2" banks, are undercapitalized and in trouble. The remaining 500 banks are basically bankrupt.

Thrift investors believe the second group offers the most potential reward. These banks have at least one major flaw, such as below-standard capital requirements, and whose debt is selling at a sharp discount to its face value.

An example is Financial Corp of Santa Barbara, whose 13.375 percent subordinated debt was recently selling at a price of 36 points bid, 40 points offer. That means a $1,000 bond paying $133.75 a year in coupon interest could be purchased for about $400. If the economy slows and interest rates drop, thrift investors feel Santa Barbara's and other "tier 2" bank debt could jump substantially in value.

"The conditions are right for a really tremendous opportunity," says an executive at a major Wall Street investment firm, who prefers anonymity. "Interest rate are peaking out, there's a lot of negative press, uncertainty, new legislation, and a number of other things that point to a bottom in this area."

Since that scenario might take two to three years, impatient investors are keying on interest from the banks' bonds. The idea is to look for ailing thrifts with high-yield debt that are still meeting semiannual interest payments. With a bond selling for 10 cents on the dollar, an investor holding a note with a 15 percent coupon could turn a profit after two interest payments.

Seymour Licht, an electrical engineer and investor in Scottsdale, Arizona, recently bought subordinated capital notes in Western Savings and Loan Association of Phoenix, with a face value of $100,000 and a 15.625 percent coupon, selling at nine cents on the dollar.

The bank paid interest on the notes last December, totaling about $3,900, a enormous return on a $9,000 investment.

But, in a demonstration of the risks involved, Western S&L was placed in conservatorship by the Federal Home Loan Bank Board the day before it was due to make its June 15 payment.

Now, Mr. Licht is looking at a potential loss of his $9,000 principal.

"By owning these bonds, you're not doing it because you've made a careful analysis of assets and liabilities. You're buying a lottery ticket to a judicial ruling," says Mr. Luftig of Drake Securities. □

REAL ESTATE

Where Buyers Have the Upper Hand

London: The softness may persist.

Continued From Page 11

the middle market, in the £450,000 to £750,000 range," says Kevin Ryan, director of Harrod's estate offices.

Apartments in such areas start at around £250,000 for those with basic amenities, a price little changed over the past year.

Buyers seeking apartments in a period building with high ceilings and perhaps a view of the park can expect to pay double that amount.

Overseas demand for prime London apartments is not as strong as it once was.

Although the revival of the U.S. dollar has brought some Arab buyers back into the London property market, according to Mr. Ryan, foreign investors generally remain as wary as their British counterparts.

Properties worth more than £1 million, a classification that mostly involves houses, form a special category that has been resistant to rising interest rates and problems of market confidence, estate agents say.

In the current mood of depression, though, sellers may find even that immunity seriously weakened.

In Hampstead, a prime area of northwest London popular with foreign residents, house prices in this category are, as local agents put it, "sticking."

One four-bedroom detached Georgian house has remained unsold for over six months, despite a 10 percent cut in its original £1.5 million asking price.

Similar trends can be detected in Halifax data for greater London.

In the fourth quarter of 1988, the prices of houses and apartments in greater London rose 23 percent from year-earlier levels.

In the first three months of 1989, the year-on-year rate of increase had dropped to 16 percent.

Gary Marsh, research manager at Halifax, expects the rate to decline into single figures for the second quarter.

Few real estate specialists expect any reversal of the trend this year, given the possibility of even higher money costs.

Most are assuming that interest rates will be on a downward tack well before the next general election, due by 1992.

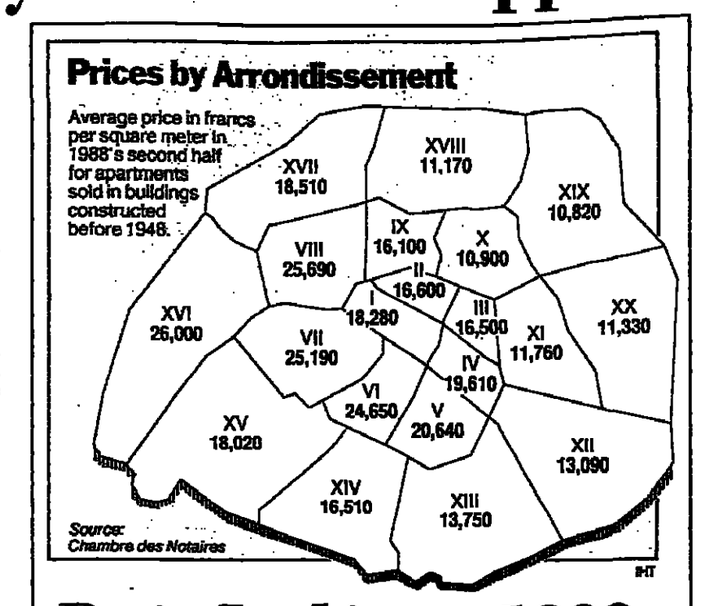
"If they are not and, in the unlikely event that incomes are squeezed, then the property would be in real trouble," says Mr. Goodwin at the London Research Centre.

Assuming a 10 percent annual rise in real incomes over the next three years, Mr. Goodwin is predicting stable London property prices during that time.

That will, in his view, restore the relationship between housing prices and incomes to something approaching normal.

Meanwhile, London's estate agencies will learn to adjust to a less ebullient market.

"This is a climate of retrenchment in the industry, not expansion," acknowledges Mr. Ryan of Harrod's. □



Paris: Looking to 1992

By Jacques Neher

Paris

ALTHOUGH top-of-the-line apartments are selling at a brisk pace, there are signs that the Paris housing market is calming down after a three-year price run-up.

Amid signs of slowing sales, optimistic real estate brokers are pinning their hopes for another property boom on Europe's 1992 unification. They expect to attract the business of companies establishing a base for their continental operations. Some brokers say they are already receiving inquiries from foreign companies looking for commercial and residential space.

But inquiries are not sales, and many brokers say business is off in the meantime.

"We haven't seen any indication that prices are dropping, but we're not getting many calls and visits either," says Donelle Higbee, an agent with Hampton & Sons.

It is still too early for the slowdown to show up in statistics. The average cost of a square meter of residential floor space in Paris soared 26 percent last year to 15,581 francs, according to a recent study by the Chambre Interdépartementale des Notaires de Paris, which represents the officials who draw up real estate contracts in France.

Last year's increase was the steepest since 1986, when apartments prices started their latest spurt. Between 1986 and 1988, a square meter of Paris floor space gained 53 percent in inflation-adjusted francs.

Most of last year's gain, however, occurred in the first half, with prices — and unit sales — moderating in the second half, according to the notaries. Brokers say the trend is continuing in the first half of 1989, with would-be buyers holding off because of what they view as unreasonable asking prices.

However, premium Parisian locations are still in high demand, Ms. Higbee says: "We've got lots and lots of people with between 6 million and 25 million francs willing to buy on the condition we can find them something exceptional."

On the Left Bank, such noteworthy apartments are clustered around the Jardin du Luxembourg or border the Champs de Mars near the Eiffel Tower. On the Right Bank, luxurious residences near the Champs Elysées and in the traditionally exclusive 16th Arrondissement, south of the Arc de Triomphe, remain in high demand. Sales in these areas were up 78 percent last year for apartments priced between 25,000 and 30,000 francs a square meter.

The Marais, an artists' quarter where some elegant period buildings have been restored, is firmly in vogue and prices continue to rise, say brokers. By contrast, the reputation of the famous embassy row, Avenue Hoche, near the Arc de Triomphe, has slipped with the appearance of prostitutes in the area.

Though price rises may be leveling off, even modest parcels of Paris real estate still run high. The average apartment on the market last year measured 48.5 square meters. A typical one-room studio sold for 354,000 francs, a four-room apartment fetched 1.6 million francs and a typical 7-room unit went for 4.26 million francs. □

New York: Some areas see prices fall.

Continued From Page 11

spaces remained unchanged, and in some places, depreciated for the first time since 1982.

And the situation does not seem to be improving. For the first five months of this year, while the stock market has risen some 12 percent, closing prices for the larger apartments have increased a mere 2.5 percent. What is more, Ms. Corcoran says, the prices on new listings are flat, which bodes poorly for future sales figures, as there is a three-month lag before these units will be sold.

Not surprisingly, the blame falls on the stock market crash of October 1987. The ensuing uncertainty that has plagued the financial markets has kept many buyers away from real estate as well. Widely publicized layoffs at major investment firms added to the anxiety.

"Fear can paralyze the market," says Andrea Marx, senior vice president at Douglas Elliman Gibbons-Ives. "The hesitation among buyers these days is more a reflection of their wariness about the economy than it is about real estate values."

"The buyers are staying put, and the investors have basically left the market," explains Charles Shorter, senior vice president at Real Estate Research Corp. According to Mr. Shorter, at most, 20 percent of purchases in the last 24 months were by investors, almost one half the number in 1986, when investors were believed to have accounted for as much as 30 percent to 40 percent of the market.

The recent rise in the dollar has had an effect, too, by putting off some foreign buyers, says Ms. Corcoran. She cites a Hong Kong client who had visited late last year to look for a one-bedroom apartment for his occasional use. Although Ms. Corcoran said there were many units within this customer's $650,000-to-$850,000 price range, in May he decided to postpone a purchase.

Of course, size alone does not determine an apartment's investment value. As always, location is key.

"A smaller apartment in a good location will ultimately do better than a large apartment in a bad location," says Ms. Marx at Douglas Elliman. Traditionally, prime spots can be found around the perimeter of Central Park — Fifth Avenue, Central Park West and Central Park South, and along Park Avenue, above 57th Street.

Even here, prices vary widely. The average cost of a two-bedroom apartment on Fifth Avenue ranges between $640,000 to $975,000. On Central Park West, prices for two-bedroom apartments can run between $460,000 and $760,000. By comparison, a similarly sized apartment on the less choice street, Riverside Drive, sells for between $325,000 to $480,000. □

HOME RUN

Couple Cashes In on the Baseball Boom

Continued From Page 11

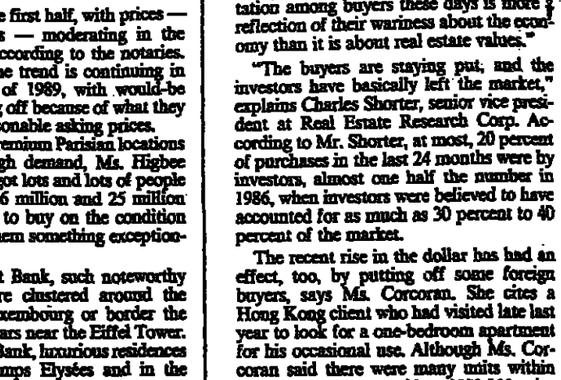
count that revolves around Mr. Wolf's own real life team.

"Cultural forces like that are beyond an owner's control," he says. "Fifteen years ago, I was a better operator and we were only getting $500 a night and now we get $5,000."

The cheapest single-A clubs, a classification that indicates the lowest quality of play, operate for only a half season and go for a minimum of $200,000. A double-A franchise can cost from $750,000 to $2.5 million, and triple-A teams, which are only a step below the major leagues, fetch $3 million to $8 million.

Mr. Freitas maintains that even at these prices, minor league clubs are within the reach of many investors. "All you need are enough people," he says. The single-A Palm Springs Angels, for instance, are owned by 102 people who put up $6,000 a piece to buy the team in 1986.

While teams are changing hands at far higher prices, the profitability of the clubs remains less than inspiring. At today's prices, annual returns on an initial investment frequently amount to less than 5 percent. But followers of minor league baseball say the business cannot be understood just in terms of year-to-year profits. The payoff comes when a successful club is sold.



The demand for available franchises far exceeds supply, and prices will keep rising, say several minor league professionals. Baseball Opportunities claims to have a list of 200 individuals or partnerships interested in buying a minor league team and a list of only four teams currently for sale.

"You can't think of these sports investments as a regular commercial venture. What you're doing is buying one of the last legal monopolies," says Robert Rich, the owner of the triple-A Buffalo Bisons.

Owners who have bought at the higher prices of recent years, however, have not been able to simply open the ball park gates and make money. To pack in as many fans as possible, "every game has to be an event," says Mr. Rich.

At almost every Buffalo Bison game, for example, there is a promotion of some kind. One night the lure might be a performance by the San Diego Chicken, a popular clown in a chicken costume, a fireworks display or even a post-game concert.

Many teams have upgraded their stadiums to draw more fans.

But expanded services and more comfortable stadiums have not always translated into higher profits. The owners of the single-A Fresno Bees reportedly lost $300,000 last season after spending heavily on stadium repairs, promotions and expanded concession and souvenir operations.

Finally, key to the financial health of almost all minor league teams are so-called "player-development contracts." These agreements give major league ball clubs the right to choose players and coaches for minor league teams and rotate them at will up to the majors. In exchange, the major league "parent," who usually signs an exclusive agreement with a minor league affiliate, agrees to pay the players and coaches. □

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2 12 22 32 42	2 12 22 32 42	2 12 22 32 42	2 12 22 32 42	2 12 22 32 42
3 13 23 33 43	3 13 23 33 43	3 13 23 33 43	3 13 23 33 43	3 13 23 33 43
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5 15 25 35 45	5 15 25 35 45	5 15 25 35 45	5 15 25 35 45	5 15 25 35 45
6 16 26 36 46	6 16 26 36 46	6 16 26 36 46	6 16 26 36 46	6 16 26 36 46
7 17 27 37 47	7 17 27 37 47	7 17 27 37 47	7 17 27 37 47	7 17 27 37 47
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FUNDS

Sounding the 1992 Theme

For funds, EC unity is an idea that sells.

By David C. Lanchner

BACKERS of Europe's push for economic integration at the end of 1992 conjure up bold images of vital industries vying for leadership in what promises to be the world's largest single market.

Such magical visions of the future Europe have not been lost on fund management firms. In the last two years, nine funds have been introduced, six in Britain and three on the Continent, which incorporate the deadline for a single European market into their names.

As usual, say the cynics, fund management companies have saddled up a popular theme and are riding it hard.

Mutual fund buyers might legitimately wonder how a "1992" fund differs from any of the 100 or so existing European funds available to retail investors. Shouldn't every manager of a European fund be looking for opportunities to cash in on 1992?

"Basically '92 funds are a little bit of a gimmick," acknowledges Tony Staven, a unit trust adviser at Stock Group Limited in London. "Any European fund manager worth his salt will have the same stuff in his portfolio."

In the first six months of 1989, the bulk of the 1992 funds performed respectably, with about half roughly matching or beating the 15 percent return of the FT-Actuaries Europe Index. That is not a bad showing. But most investment experts avoid funds with such short track records, preferring to see how managers perform in bad times as well as good. Certainly, many of the more broadly based European funds have been around far longer.

Indeed, some fund managers acknowledge that the 1992 monikers are designed to ease the marketing problems encountered by funds with no track record. One continental manager says the aim of his fund is no different than that of a general European fund.

"Nineteen ninety-two is a catch phrase that helps the advertising dollar go farther," says the manager, who prefers anonymity. "If 1992 proves to be such a vintage story that when people hear the phrase they look back to magical performance, we will keep the name. Otherwise, after 1992, we will have to find another catching slogan with Europe somehow in the title."

Less cynical observers argue that investors in 1992 funds benefit from a more specialized approach. Nick Carn, investment director of Cigna Unit Trust Managers in Britain, explains that 1992 strategies focus largely on companies that are likely to restructure significantly or be taken over as Europe readies itself for the increased competition of a single market.

Analysts have turned out reams of reports on the retail, food and beverage, telecommunications and other industries in an effort to pinpoint which companies will emerge with the best prospects. Because many post-1992 opportunities are what investment professionals like to call "special situations," a 1992 fund has a chance to provide a higher return and its holdings may be more varied than a typical European equity fund, says Mr. Carn.

Other specialists worry that a "1992" strategy straitjackets a portfolio manager, perhaps obscuring opportunities that have nothing to do with the European Community's integration.

"The object of a European fund should be to invest where there is growth potential," says Mr. Staven. "I prefer a fund where the manager recognizes the advantages and disadvantages of 1992 and invests accordingly."

Comparing a European fund and a 1992 fund in the same firm's stable offers some insights into how the two approaches can differ. The Fidelity 1992 European Opportunities unit trust, for example, achieved a stunning 39 percent return in the first half of the year. But its sister portfolio, the Fidelity European Trust, showed an even more impressive 47 percent appreciation for the same period.

Both funds have essentially the same management, so what made the difference? The funds' exposure to Norway, one of the half's hottest markets, is one reason, says John Neale, who guides two Fleming Asset Management portfolios that invest in other funds. The Fidelity 1992 fund holds 8.9 percent of its investments in Norway. If it were to match the European Trust's 15.9 period investment, it would find itself in the position of holding many companies without a direct link to EC unification.

"If the management team could not have as substantial a [Norwegian] position in the '92 fund, that suggests the fund was disadvantaged by the too narrow a focus," says Mr. Neale.

FOR Richard Nicholas, a unit trust analyst at Alexander, Laing and Cruikshank in London, the real value of Fidelity's 1992 fund is as "a small company play." The European Trust, with more than £400 million under management, has about 40 times the assets of the smaller and newer 1992 fund.

The scant number of shares available in small companies means those investment often do not make sense for a fund the size of the Europe Trust. By contrast, the 1992 fund is still small enough to invest in these emerging companies. The problem is that potential investors do not get this message.

"You've got a conflict between the portfolio manager and his brief, and the marketing director and his brief. What you wind up with at the end of the day is the poor investor who thinks he's bought something different from what he has," says Mr. Nicholas.

Fund managers can also feel themselves tugged between the need for short-term performance to please holders and the long-term investment objective of the fund. The result can be a portfolio that seems curiously at odds with the stated investment objective.

"Nineteen ninety-two investment plays are often long-term and you should sit with them for five years. But our investors are looking for short-term performance as well," says Lord Francis Seymour, manager of the Guinness Flight 1992 Fund.

He tries to meet both the long-term and short-term investment objectives. But sometimes that means putting money into markets because they look promising rather than because of any particular theme related to 1992. Currently, 20 percent of the fund's assets are in West Germany, "largely because that market is performing well now," Lord Francis says, not because Germany will necessarily outperform other regions in the race up to 1992.

The Abbey Life 1992 Enterprise Trust seems to apply a particularly narrow focus on the concept of profiting from European unity. Seventy-six percent of the fund's investments are in Britain, and the portfolio manager may invest no more than 25 percent of assets in continental securities.

"Our particular strategy is that we believe that the U.K. will take a greater part in the evolution of Europe," says the manager. Mr. Nicholas counters: "It seems risky and perverse to limit yourself like that." □

June Scoreboard

Best Performers	Percent Change	Price June 30	Worst Performers	Percent Change	Price June 30
New York Stock Exchange: Compiled by Media General Financial Services. Prices in dollars					
Recognition Equipment	+57	12.00	Reynolds & Reynolds	−27	24.50
Harcourt Jovanovich	+48	14.50	Windmere Corp.	−27	15.00
Pyro Energy Corp.	+43	12.00	Outboard Marine	−27	33.00
Ipco Corp.	+35	13.50	National Education	−25	15.25
Gleason Corp.	+30	18.38	Del Webb Corp.	−25	10.13
Sealed Air. Corp.	+29	17.25	Allied Products	−24	19.50
Nationwide Health	+25	13.63	Computer Task	−23	11.63
Banc One	+24	33.50	Vista Chemical	−22	42.88
Downey S & L	+23	28.13	Herman Int'L	−22	18.00
Time Inc.	+22	155.25	Teradyne	−22	11.38
American Stock Exchange:					
Adams Russell	+99	15.25	Cubic Corp.	−17	14.25
Colorado Prime.	+32	16.75	Clear Channel	−17	11.75
Aircoa Hotel Partners	+30	11.75	Bio-Rad Labs	−17	14.88
Int'l Proteins	+30	15.88	Catalina Lighting	−17	11.38
Unicare Financial	+24	17.88	Fibreboard	−17	15.63
Over the Counter:					
Praxis Biologics	+96	13.00	R.P. Scherer	−50	15.00
Richfood Holdings	+75	11.63	Three CDM	−41	16.13
American Capacity	+50	16.13	Advanced Marketing	−37	10.25
Ost Systems	+42	12.75	Digital Microwave	−32	22.88
Nodaway Valley	+36	10.75	CUC Int'L	−28	12.63
London Stock Exchange: Compiled by Morgan Stanley Capital International. Prices in pence					
Gateway Corp.	+17	239	Amstrad	−20	78
De Beers	+16	1,070	British Steel. Hldgs.	−17	73
Pearl Group	+15	449	Ferranti Signal	−16	85
BAT Industries	+14	646	United Scientific	−15	128
Scottish & Newcastle	+14	335	Racal Electronics	−14	429
Sun Life Assurance	+13	1,023	Connolly Wilson	−14	144
United Biscuits	+11	371	British Comm. Holdings	−14	154
Thorn-EMI	+11	773	Racal Telecomm.	−13	401
Allied Colloids	+11	156	Maxwell Communications	−11	168
Ward White Group	+10	325	Storehouse	−10	152
Tokyo Stock Exchange: Compiled by Morgan Stanley Capital International. Prices in yen					
Intec	+28	4,550	Kokusai Kogyo	−22	2,390
Ono Pharmaceutical	+27	5,540	Kokuetsu Paper	−18	1,100
Yamataka-Honeywell	+27	3,460	Jujo Paper	−18	1,120
Nintendo	+22	13,000	Sanyo-Kokusaku Pulp	−17	990
Godo Shusei	+21	2,300	Keihin Electric	−16	1,430
Omron Tateisi	+18	3,300	Sato Kogyo	−16	2,170
Secom	+17	7,330	Tokyo Rope	−16	1,440
Katakura Industries	+17	4,040	Tokyo Steel	−15	4,090
Fujita Tourist	+17	3,610	Chiyoda Corp.	−15	1,460
Toyo Sash	+16	6,540	Nippon Yakin Kogyo	−15	1,270

International Herald Tribune

PROFILE

Tokyo: Making Of a Guru

Continued From Page 11

though, we see it's really not difficult at all."

"I think the Tokyo market is just the same for foreign investors," he adds, sitting in his modest office just down the street from Kabuto-cho, Tokyo's Wall Street. "If they'd learn a little more about it, they'd see it's a lot like any other market."

Indeed, Mr. Matsumoto's latest mission is to bring foreigners, who hold only 3-percent of the Tokyo market's capitalization, into the fold. This year, he published his first in book in English: "Japanese Stocks: A Basic Guide for the Intelligent Investor."

"Despite its size, foreigners tend to think of the Tokyo market as some kind of 'mystery zone' and are afraid to go near it. But there's no mystery about it," he says with a broad smile.

Seeing Mr. Matsumoto's prodigious output on the Tokyo market makes it hard to believe there are any mysteries left. While it is difficult to pin down his actual investment performance, his publishing success is impressive. More than 40 books by Mr. Matsumoto fill the investment sections of many bookstores, and more are on the way.

Perhaps a big part of Mr. Matsumoto's appeal is his lack of reverence for the "Big Four" Japanese brokerages — Nomura, Daiwa, Nikko and Yamaichi — that dominate the Japanese stock exchanges. Foreign investment professionals have long complained about how the Big Four orchestrate the market.

"Unless one of the Big Four firms says 'this is a good buy,' a stock isn't going to move very much," acknowledges Mr. Matsumoto. "So people tend to go along with the mainstream and give their money to one of the big brokers."

Lately, the market has been weighed down by the political problems stemming from the Recruit stock scandal and newspaper articles recounting Prime Minister Sosuke Uno's extramarital affairs. Compounding the situation has been the strength of the dollar this year.

On the political front, the market is worried that the ruling Liberal Democratic Party may lose its majority in parliamentary elections for the Upper House on July 23. But Mr. Matsumoto believes the market may well surge after the vote, having already discounted the ruling party's setbacks.

"People are alway predicting bad news for the TSE, but I don't see it," he declares. He believes in the view that there is too much cash chasing too few stocks for the market to take a real tumble.

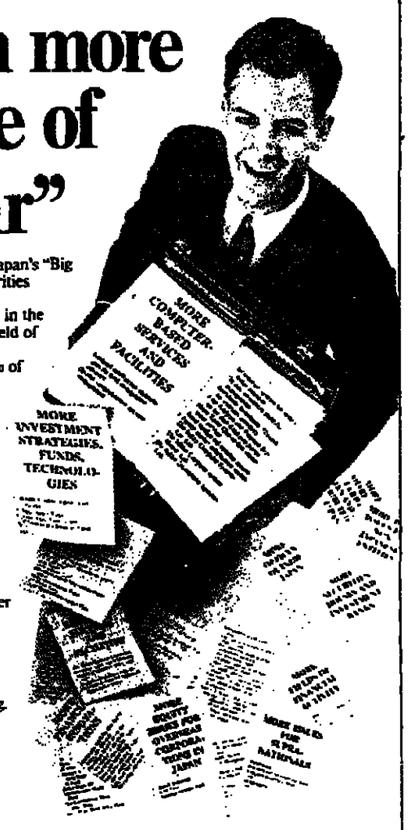
The electronics and electrical goods sectors look attractive to him now. Noting that these issues have underperformed the market, Mr. Matsumoto says they are "bound to come back into favor in the near future." Two of his recent recommendations — Tokyo Electron and Nikon — are major players in the manufacture of integrated circuits. Among telecommunications stocks, he believes Tamura Electric is underpriced. Another favorite is Oki Electric Cable, a second-tier stock regarded as a play on so-called linear-motor cars.

With the Tokyo market offering such good prospects in his view, Mr. Matsumoto is perplexed by foreigners' reticence. They seem to dwell on the dominant role of the Big Four brokerages or the market's lofty price-earnings ratios as excuses for passing up Tokyo.

"That attitude is hard for me to understand," he confesses. "Obviously people are making money here, and this market really isn't really all that different from New York."

"It's like sushi," he adds. "How can you look at something and say 'Oh, no, that's no for me'? Try it and see. If you don't like it, fine. But at least try it. This is something we Japanese cannot understand about foreign investors." □

Much, much more than just one of the "Big Four"



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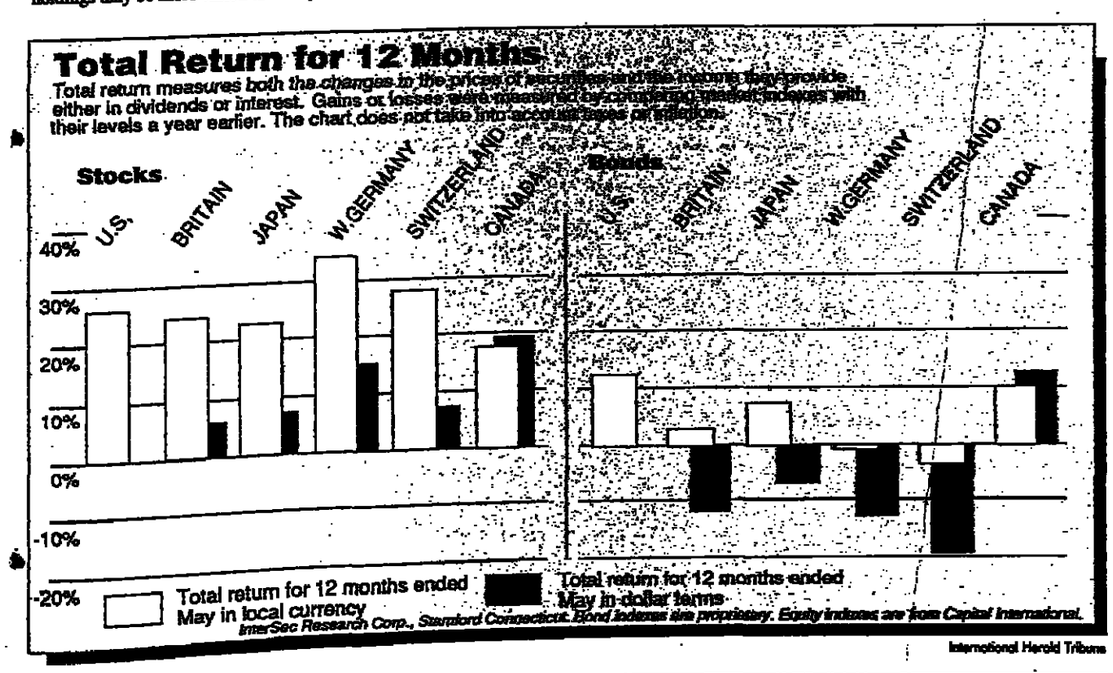
Total return measures both the changes in the prices of securities and the income they provide, either in dividends or interest. Gains or losses were measured by comparing market indexes with their levels a year earlier. The chart does not take into account taxes or inflation.



InterSec Research Corp., Stamford Connecticut. Bond indexes are proprietary. Equity indexes are from Capital International.

International Herald Tribune

FOCUS

A Bet on Gold's Downside for the Bears

Continued From Page 11

long term," says Peter Schmuki, vice president at Credit Suisse Capital Markets. Though he is not recommending these issues, "for these investors, the gold-linked bonds could have a lot to offer," he says.

Along with an annual income not available to bullion investors, gold-linked bonds track the price without incurring the costs of storage and insurance for the physical metal. The bonds can be less volatile investments than mining stocks — another alternative.

Unfortunately, with demand for gold-linked issues so weak, there have not been any new entries of consequence for years. But one that is is an Echo Bay Mines 10-year bond issued in October 1986. Sold in units of 5,000 Swiss francs, it includes a five-year warrant giving the bolder the option to buy six ounces of gold at $560 an ounce by 1991. The bond carries a coupon of 3.88 percent annually.

Currently, a unit of the bond plus the warrants has slipped in price to 4,500 Swiss francs, raising the effective yield to 6.75 percent. At current levels, however, gold needs to rise almost $200 an ounce in the next two years for these warrants to become interesting. □

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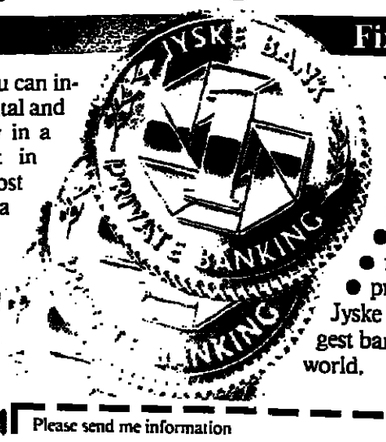

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MONDAY SPORTS

Blue Jays Shut Out Tigers

The Associated Press

Dave Stieb no-hit the Detroit Tigers for 5⅓ innings and Junior Felix homered, leading the Toronto Blue Jays to a 2-0 victory and their first-ever sweep of a series at Tiger Stadium on Sunday.

Lou Whitaker lined a single past first baseman Fred McGriff with two outs in the sixth to break up the no-hit bid. The only other hit Stieb allowed in seven innings was a single by Fred Lynn in the seventh.

Stieb, who has had three no-hitters thwarted in the ninth inning during his career, was relieved in the eighth by Tom Henke.

Toronto took a 1-0 lead in the second on singles by George Bell, McGriff and Pat Borders. Felix made it 2-0 with his eighth homer, into the upper deck in right field leading off the eighth.

Detroit failed to score a run for pitcher Frank Tanana for the second straight game. Tanana, who lost 1-0 to New York last week, allowed seven hits in eight innings.

The only Tiger to reach second base was Lynn, who walked with two outs in the second and advanced to second when Chet Lemon was hit by a pitch.

Red Sox 10, Yankees 5: Nick Esasky, Dwight Evans and Luis Rivera homered — the first time since May 27 that the Red Sox hit more than one home run at Boston's Fenway Park — as the Red Sox triumphed despite two home runs by New York's Jesse Barfield.

Esasky hit a two-run homer, his 13th, off New York starter Don Schulze in the fourth before Evans greeted reliever Dale Mohorcic with his 11th homer in the fifth.

Rivera, who went three-for-three with two doubles and a pair of walks along with his second homer, hit a two-run shot into the left-field screen in the seventh.

Padres 5, Pirates 3: Rob Nelson hit a two-run homer and Mark Grant pitched 6⅔ innings of shutout relief for San Diego in a National League game in Pittsburgh.

With the Padres trailing 3-2, Nelson hit a 3-0 pitch from Randy Kramer into the right-field seats in the fourth inning for his third home run. Roberto Alomar, who started the inning with a single, scored ahead of Nelson.

It was the longest outing of the season for Grant, who gave up four hits and a walk. He struck out four. Mark Davis got the final two outs.

Mets 6, Reds 3: Juan Samuel slammed a two-run homer off Cincinnati's Rob Dibble to cap a three-run seventh-inning rally in New York.

Cardinals 6, Giants 4: In St. Louis, Jose Oquendo and Terry Pendleton continued their torrid hitting and Joe Magrane won his fourth straight as the Cardinals downed visiting San Francisco.

Oquendo, 19-for-35 in his last 10 games, had an RBI single in the second, a triple in the fifth and an RBI groundout in a four-run sixth. Pendleton, 11-for-21 in his last five games with two home runs and seven RBIs, had a run-scoring double in the sixth and doubled in the seventh.

Tempers Flare as Pitch Hits a Batter, but Mets Keep Cool to Beat Reds

The Associated Press

Infielder Tim Teufel was hot both at the plate and away from it, getting four hits Saturday before being hit with a pitch that led to a brawl, and his teammate Darryl Strawberry had a two-run home run to lead the Mets past the Cincinnati Reds, 8-3, in New York.

SATURDAY BASEBALL

Cincinnati reliever Rob Dibble hit Teufel in the back with a pitch in the eighth inning. Dibble walked off the mound and Teufel started toward him, throwing several punches as both benches emptied.

"He threw right at me," Teufel said. "There's no need for that. He's not so good that he can't give up a run."

After order was restored, the benches cleared again as the players wrestled near the mound. Dibble, Teufel, New York's Juan Samuel and Cincinnati's Norm Charlton were ejected.

Dibble denied that he was throwing at Teufel, although Pete Rose, the Cincinnati manager, acknowledged that he was unhappy that the Mets were stealing bases when they had a substantial lead.

"That's just rubbing it in," Rose said. "Davey Johnson and I are from the same school. If you're stealing at that point, you should expect to get knocked down."

Teufel was four-for-four with an RBI and Samuel had three hits and two RBIs to pace the Mets' 16-hit attack. David Cone carried a shutout into the ninth, but gave up homers to Eric Davis and Lenny Harris.

Astros 3, Expos 2: In Houston, a single by Rafael Ramirez broke a 2-2 tie in the seventh inning as the Astros snapped Montreal's eight-game winning streak.

Dodgers 8, Cubs 2: Eddie Murray hit a three-run home run, and Alfredo Griffin and Willie Randolph each drove in two runs for visiting Los Angeles. The Dodgers snapped their five-game losing streak and ended Chicago's four-game winning streak.

Padres 2, Pirates 0: In Pittsburgh, Ed Whitson pitched a five-hitter for his first shutout of the season, and Chris James hit his first home run with San Diego.

Braves 4, Phillies 3: In Atlanta, Tommy Gregg broke a tie with a bases-loaded single in the eighth.

Gregg's hit against Jeff Parrett, the third Philadelphia pitcher, scored Jeff Treadway, who had opened the inning with a walk and moved to third on a single by Darrell Evans and a walk to Gerald Perry.

Giants 8, Cardinals 5: In St. Louis, Kevin Mitchell, the major-league home run leader, hit two homers and pitcher Don Robinson and Will Clark each added two-run shots to power San Francisco.

Rangers 5, Athletics 4: In an American League game in Oakland, California, Julio Franco's 10th-inning single drove in Texas's winning run after Thad Bosley's two-run single tied the score in the ninth.

Angels 4, Twins 1: Lance Parrish hit a two-run home run and Jim Abbott held Minnesota to one run in 6⅓ innings in Anaheim, California, as the Twins lost their fifth straight.

Yankees 7, Red Sox 5: Mel Hall ignited a three-run sixth inning with a solo home run, and Eric Plunk pitched four innings of one-hit relief as New York rallied in Boston.

The Yankees spotted the Red Sox a 4-0 lead in the first, then fought back with three runs in the third and three more in the sixth.

Blue Jays 8, Tigers 3: In Detroit, Junior Felix hit a decisive two-run home run and added a two-run single as Toronto handed the Tigers their sixth straight loss.

The loss dropped the Tigers 22 games below .500 for the first time since 1975.

Royals 4, White Sox 3: Bo Jackson slammed a 2-1 pitch 420 feet (128 meters) over the left-field wall leading off the 11th inning in Kansas City, Missouri, to lift the Royals past Chicago.

Orioles 5, Brewers 2: Brian Holton pitched three-hit ball over 6⅓ innings for his first victory since May 29 and Bob Melvin drove in two runs as Baltimore triumphed in Milwaukee.

Mariners 4, Indians 3: Dave Valle drove in the winning run in the 11th with a one-out infield groundout as Seattle edged visiting Cleveland.

Jack Dalleo/Reuters-UPI

Reds and Mets players brawling after Cincinnati's Rob Dribble hit Tim Teufel with a pitch.

Crash-Proof Prost Drives to Victory

The Associated Press

LE CASTELLET, France — Alain Prost of France in a McLaren-Honda won his fourth French Grand Prix on Sunday, leading from wire-to-wire to cement his lead in the world drivers' standings.

Prost's McLaren Honda won by 44.017 seconds over Britain's Nigel Mansell in a Ferrari, with Italy's Riccardo Patrese third.

The 34-year-old Frenchman was timed in 1 hour, 38 minutes, 29.411 seconds over the 80 laps of the 3.8-kilometer (2.4-mile) circuit in southern France. *(See Scoreboard)*

Prost had no trouble winning the 37th Grand Prix of his career and 28th with McLaren. He grabbed the lead from the start and moved easily away. By the 33rd lap he built up a 27-second lead over the Benetton-Ford of Alessandro Nannini. Prost was able to stop for a tire change and still come out six seconds ahead.

Prost moved smoothly away as the challengers kept changing behind him. Nannini went out on the 39th lap.

Patrese moved into second by the 51st before he spun out nine laps later and dropped to third.

Mansell had to drive a back-up Ferrari after his first car was knocked out in an accident that caused a restart. Mansell began in the pits the second time and worked his way through the field.

The race took its toll on the cars as just 13 were running at the end and only four on the same lap as Prost.

Prost was helped when his teammate and rival, Ayrton Senna of Brazil, stopped barely 100 meters from the starting line. After an accident caused a restart, Prost got the better jump, and Senna suddenly went off the track with gear box problems.

The race had to restart after a spectacular accident on the first curve when Brazil's Mauricio Gugelmin's car had its wheels lock and crashed into Mansell's car. No one was injured.

Ex-Star Cites East German Steroids Use

The Associated Press

VIENNA — For the second time in recent weeks, a former athlete has said that the use of performance-enhancing drugs is obligatory at the highest levels of East German sports.

In an interview published Sunday in the Vienna newspaper Kronen Zeitung, Christine Knacke, a former East German swimmer who now lives in Austria, said she was forced to take banned substances or be passed over in the East German sports establishment.

Knacke, who in 1977 became the first woman to swim the 100-meter butterfly in less than a minute, confirmed recent allegations by Hans Georg Aschenbach, an East German Olympic gold medalist in ski jumping, that East German athletes at the national level were given no choice but to take performance-enhancing drugs.

Knacke was selected for the Olympic team after setting the world record in 1977.

"That was when it all began," she said in the interview. "All the Olympic candidates were under the care of a sports medicine institute in Kreischa, near Dresden. That's where we received anabolic steroids for the first time. It was just the way Aschenbach described it. Three times a day we had to take 12 tablets — half of these contained anabolic substances."

She said the athletes were told they were being given vitamin pills.

In recent interviews in the West German newspaper Bild am Sonntag, Aschenbach, 37, provided details about what drugs East German athletes were given, the side effects and when and how they were administered.

In 1978, the swimming world was shocked when Knacke, then considered a top prospect, was withdrawn from the world championships in West Berlin.

The move, she said, followed the positive results in drug tests of East German cyclists and track and field athletes at international contests.

East German athletes then were subjected to internal drug tests, which in Knacke's case showed traces of banned substances. Knacke was unable to compete.

LeMond Leads Tour de France, but Climbing Lesson Looms

By Samuel Abt
International Herald Tribune

PAU, France — Greg LeMond retained the leader's yellow jersey Sunday as the first act of the Tour de France ended in Pau, within sight of the Pyrenees.

The second, and far from the final, act of the bicycle race will be played out in those mountains for the next two days. Riders who have barely seen a hill since the race started in Luxembourg on July 1 now face eight monumental peaks.

"I'm feeling good," said LeMond, who looked drawn, shortly after he crossed the finish line Sunday. "Strong, too," he managed to add.

His performance in the mountains preceding the more formidable Alps will tell much about his chances of repeating his 1986 victory.

The American kept his five-second lead over Laurent Fignon, a Frenchman, during the 157-kilometer (97.5-mile) stage.

The race was won by Martin Earley, an Irishman with the PDM team, in 3 hours, 51 minutes, 26 seconds. *(See Scoreboard)*

As the riders stormed up the Rue de Liège and into the Place de Verdun, Laurent Bezault and Heinz Imboden found themselves traveling an unexpected road. A few months ago, neither imagined he would be here.

Bezault, who finished fifth Sunday, is the great young hope of French bicycling but was considered too inexperienced to ride the 3,250-kilometer (2,000-mile) Tour four months after his 23d birthday. Imboden, who finished far back Sunday, did not even have a team to ride for.

Barbara Bell

Heinz Imboden: team man.

Reuters

Greg LeMond: 'feeling good.'

Barbara Bell

Laurent Bezault: French hope.

Afflicted by a mysterious blood disease that left him unable to finish races, the 27-year-old Imboden was laid off last year by the Panasonic team. The Swiss rider went to the United States and spent most of the summer working on a cattle ranch in Oregon.

"Then I felt better and decided to see if I could ride myself back into shape," Imboden said.

"I went on my bicycle through Canada and up to Alaska, riding like a tourist but riding every day. When I got to Alaska, I rode around there and then rode back to Oregon."

"It took three months and I covered about 10,000 kilometers and felt much better. I worked a few more months on the farm and returned to Europe."

He began racing with an individual professional license and late in April he finished ninth in the Tour of Northwestern Switzerland. That was the first race he had finished since the Tour of Ireland, where he was third, in 1987.

When injuries and inexperience left the Super U team, based in France, a couple of riders short of completing its nine-man squad for the 76th Tour de France, Imboden was hired.

He has had an undistinguished race so far and ranks near the bottom of the 188 riders remaining. Nevertheless, he understands that his job is to help his leader, Fignon, get through the mountains.

"They know I can climb, that's why they hired me," Imboden said recently. "'Heinz, Heinz,' I keep telling myself, 'How lucky you are.'"

But now, Imboden will need even more luck to make it through the mountains.

"I'm not going good," he said after Sunday's finish. "I have a bad chest cold and it's hard to breathe. Tomorrow will be rough for me."

It should be better for Bezault, who climbs well and has startled many observers with his versatility in his first year as a professional. Last July the Frenchman was training to ride in the team time trial at the Olympic Games in Seoul.

After the French team came in fourth there, Bezault turned professional and finished second in his first race, the Coppa Sabatini in Italy.

Riding a heavy schedule this year, Bezault has won or finished well in several races in France and one in Switzerland.

He has impressed observers of the sport as no young French rider has done since Bernard Hinault emerged in 1976. Hinault, though, was fortunate to ride for a team that was patient enough not to race him too soon in the three-week-long Tour de France.

Despite public clamor to see the wunderkind, Hinault was held out of the 1977 Tour because, nearing his 23d birthday, he was judged too fragile for the long grind. When he was a year older, he won his first Tour de France and went on to win it four more times, tying the record set by Jacques Anquetil and Eddy Merckx.

Bezault did not expect to ride the Tour this year but was forced into action when his team leader, Jean-François Bernard, had knee surgery and could not start.

Their Toshiba team, which is still doubtful it will have a commercial sponsor next year, thrust Bezault into the race, hoping he could win a stage or otherwise generate some helpful publicity.

"I came to the Tour to learn," Bezault said, "not because I expected to win." Hinault never talked like that.

So far he ranks 42d overall and, before Sunday's strong finish, was prominent only because he has been adopted as the mascot of the French television program that follows each day's stage.

Bezault appears to be awed by the celebrities onstage with him, including stage winners he was riding into the ground a few months ago. With his fifth place, perhaps he will begin holding his head up again.

DENNIS THE MENACE

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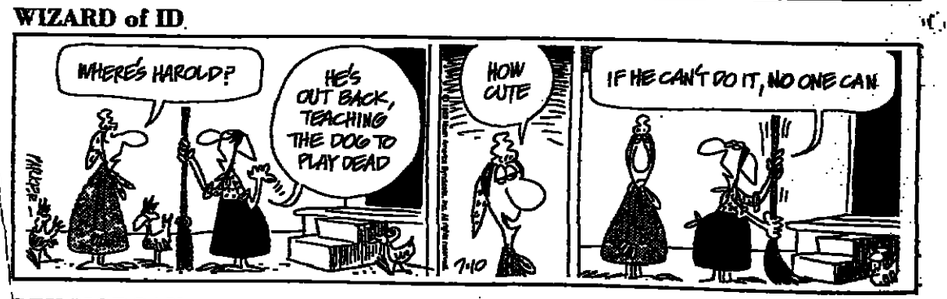

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MONDAY SPORTS

Becker and Graf Are Masterful in a West German Wimbledon

Navratilova Falls in 3 Sets

By Robin Finn
New York Times Service

WIMBLEDON, England — Steffi Graf captured her second consecutive Wimbledon singles championship at Martina Navratilova's expense on Sunday and then took her family off to Brighton for the seaside vacation that functioned as her incentive to excel here.

Motivation works in mysterious ways. Just ask Navratilova, who even considered dyeing her hair purple and green, the Wimbledon colors. But for Graf, doing well means only one thing.

"I knew it myself and I think that's what is important," said Graf of her certainty about winning her second consecutive Wimbledon championship in three trips to the final, all of them performed with Navratilova across the net.

Under a leaden sky that threatened showers but ultimately kept its rain to itself, Graf fumbled through a second-set tiebreaker that featured flawless play from her opponent before effectively subduing Navratilova, 6-2, 6-7, 6-1.

Navratilova had made no secret of her singleminded pursuit of a record ninth Wimbledon title, which she seems to regard as essential to her self-image. But once again her fanaticism failed to deter Graf. After the match Graf, who suffered a surprise defeat at the hands of 17-year-old Arantxa Sanchez at the French Open last month, revealed that she probably had an appetite for victory equal to her opponent's on Sunday.

"There was something in my heart that really wanted it," said Graf, who had captured five consecutive grand slam titles before faltering in Paris. "She was preparing so well and she was trying everything to win it," said the 20-year-old Graf, appearing in her fifth Wimbledon.

Navratilova had been successful in all eight of her trips to the final before losing to Graf in 1988, and this reprise defeat was especially significant after the elaborate preparations the 32-year-old veteran made this spring in order to avenge that loss.

To secure her goal, Navratilova skipped the French Open and embarked on a grass court cram course that carried her into Sunday's match with a record of 18-0. *But as she did in 1988, when she* spoiled Navratilova's record of 47 straight victories in Wimbledon matches, Graf put a telling blemish on Navratilova's record on grass for 1989.

What she remembered about winning here in 1988, said Graf, made her even more eager to repeat as champion.

"Both times I had a feeling, a joy of winning as never in any tournament before," Graf said.

Navratilova experienced that sort of joy at Wimbledon eight times and needed a ninth title to break her tie with Helen Wills Moody and make her own history. She also needed it to snap a winless streak in grand slam finals stretching back to the 1987 U.S. Open, which coincides with the last time she beat Graf.

"I did everything I could, and I got beat," said Navratilova, who accepted the loss without sulking and promised to try for a ninth title in 1990. "If I thought there was no chance I would win or even a 50-50 chance, I wouldn't be playing anymore. I wouldn't be putting myself through this. I absolutely think that I can win."

When Navratilova accepted her small silver plate from the Duchess of Kent, who had the bigger gilt platter again reserved for Graf, she gave it a brief half-hoist into the air and then told the Duchess, "I did the best I could. I really did."

The reason Navratilova didn't win and presumably won't win the next time the duo meets is that Graf is simply too strong, too fast, and too young, an imposing combination.

"She's towering over me," said Navratilova, who told former Wimbledon champion Virginia Wade, now a broadcaster, "I may have to grow three inches if I want to win this tournament."

In the first set, Graf, who hurries through her service game so reliably that it could be used for an eggtimer, appeared to be on her way to her vacation in record time after twice breaking Navratilova. She pummeled a backhand across the court and into Navratilova's feet to go up 3-2, held her own serve without yielding a point, and then replied to her opponent's serve with another geometrically inspired backhand slice to earn a 5-2 break, setting herself up to serve for the set.

But Graf let her attention wander momentarily in the second set and suddenly Navratilova was up 3-0 after raging through both of her service games without surrendering a point.

Navratilova built a 5-2 lead, but Graf then won three straight games, breaking Navratilova as she served for the second set and tying the set 5-5 when she flung out a service winner and an ace in the 10th game. Navratilova spun her racquet into the air in consternation when Graf won a duel at the net to force the tiebreaker, but she kept herself afloat in the match by winning all but one tiebreaker point.

The third set was largely a repeat of the first, with Graf galloping into her volleys and rendering Navratilova helpless even during her serve, which she lost twice to seal the set, match, and perhaps her fate when it comes to the matter of derailing Graf.

Andy Clark/Reuters

Boris Becker lunging for a shot on Center Court Sunday en route to a convincing three-set victory and a third Wimbledon singles title.

Edberg Loses Title at the Net

The Associated Press

WIMBLEDON, England — Boris Becker blasted passing shots down both lines to beat Stefan Edberg in straight sets on Sunday, avenging his loss last year to the Swede and claiming his third Wimbledon title in five years.

The 21-year-old West German triumphed 6-0, 7-6, 6-4, the most one-sided final since John McEnroe allowed Jimmy Connors only four games in 1984, then delightedly fired his racket into the stands.

Becker, volleying flawlessly and returning serve so well that Edberg never had opportunities to take control with his vaunted net play, regained the title he won in 1985 and 1986.

"The early victories were more like a fairy tale," Becker said. "Over the last two or three years I had to work much harder than I ever had, so I feel in a way much more proud now than in my early years."

Becker, who lost to Edberg in the semifinals of the French Open last month, became the fifth male player since World War II to win three Wimbledons.

His victory completed a West German sweep of the singles finals Sunday.

The women's final was postponed from Saturday because of rain and darkness, putting both finals on the same day for only the 10th time in Wimbledon history.

Edberg, who also lost in the French Open final four weeks ago, started slowly and failed to capitalize on chances to even the match. Serving at 6-5 in the second set after breaking Becker's serve, he took a 40-0 lead, giving him three set points.

But Becker stopped him, firing forehand and backhand passing shots and unreturnable volleys as he took 12 of 13 points to win the set in a 7-1 tiebreaker.

"I didn't play as well as last year," said Edberg, who won the 1988 title over Becker in a four-set match that lasted two days because of rain. "Maybe I made him look better than he was."

Edberg also had opportunities early in the final set, but blew three break points in the second game. The Swede's volleying was ruined by Becker's passing shots and Edberg, after averaging four aces in his six previous matches in the tournament, did not have any in the final.

"I was struggling," Edberg said. "It's really hard to tell right now what went wrong, but it's something I'll have to try to figure out. I wasn't as sharp as I've been the other matches here."

As a light rain began falling, Edberg double-faulted to lose his serve in the ninth game of the third set and Becker then served out the match, ending with a pair of service winners.

"When that final point was there and I won it, it was difficult to explode," said Becker, who was an unseeded 17-year-old when he first won in 1985. "After a couple of seconds you realize you've won it and the explosion comes out.

"Thankfully, I didn't hurt anybody. The racket is gone with the wind."

Becker opened the match with a flurry of backhand passing shots to romp to the first 6-0 set in a Wimbledon men's final in 40 years.

Edberg, helpless against the power and control of Becker, won only 10 points in the 22-minute set. It was the first time the 23-year-old Swede had lost a 6-0 set in 31 Wimbledon matches.

"I didn't get a great start," Edberg said. "I felt I was playing uphill. Obviously I didn't play my best tennis. I got off to a bad start and that gave him a lot of confidence. He usually plays well when he's in charge."

After finally breaking Becker's serve in the 11th game of the second set, Edberg blew his chance when he wasted the three set points and was forced into the tiebreaker.

"When you have 40-0, you can count on one hand how many times I've lost in a situation like that," he said. "I played five bad points in a row. It could have been a different story if I'd won that game."

No player ever has dropped the first set at love and come back to win Wimbledon, but Edberg had the chance to even the match at a set apiece and at least try to make history. It was a fleeting hope.

Becker, playing at the peak of his game, saved one set point with a forehand pass.

He saved the next two by blasting service returns at Edberg's feet. The Swede failed to get down quick enough and netted both his volleys.

"I missed a lot of shots by an inch," Edberg said.

Edberg, regarded as the best volleyer in the men's game, netted a third volley to give Becker a breakpoint and then put a fourth long to drop his serve for 6-6.

The defending champion, whose volleying had been the key to last year's victory and to his roller coaster trip to a second straight final, said he could hardly believe how badly it had failed him.

"It could have been a different story if I'd won that game," Edberg said. "I was starting to play a bit better. But that's tennis. That's why it's so interesting. Things can always happen."

Becker agreed that events turned when the Swede missed those three set points.

"That was the deciding factor, definitely," Becker said, adding that Edberg was a victim of the sport's unpredictability.

"Funny things happen when you are in a final," Becker said. "It's almost unexplainable. At 6-5, 0-40 on grass, normally there is no way you can win that set. But if you think like that, you don't win."

The West German said at such moments, mental strength counts for everything.

"You always have to think positive," Becker said.

U.S. Hockey Team Mines the Soviet Connection

By Dave Anderson
New York Times Service

EAST RUTHERFORD, New Jersey — Sitting around a Montreal hotel room the night before the 1983 National Hockey League draft, John McMullen, the owner of the New Jersey Devils, pondered the struggle of their first season.

He had a question for Max McNab, the vice president of operations, and Billy MacMillan, then the general manager and coach.

"Where," McMullen asked, "are the best hockey players?"

"Some of the best," he was told, "are in the Soviet Union."

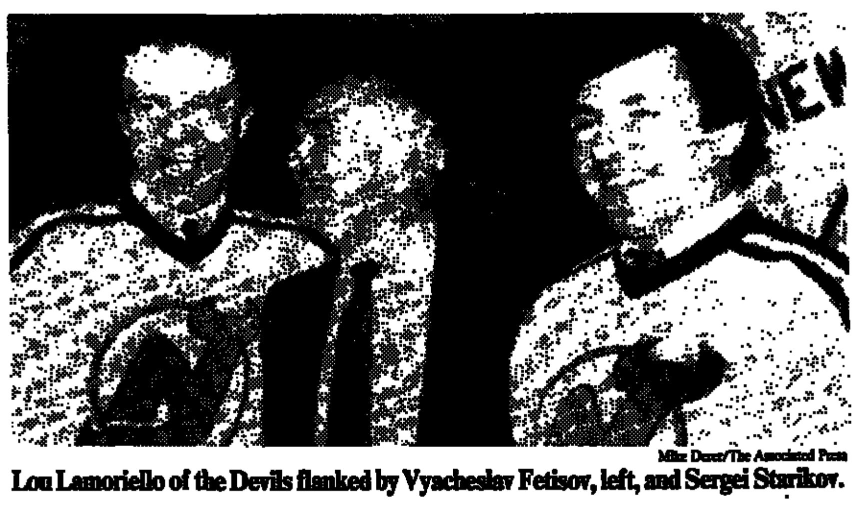
"Then why don't we draft some Soviets?" McMullen said.

At the time, Soviet hockey players were untouchable, given the Moscow bureaucracy. But as a commander in the U.S. Navy and as a shipping tycoon, John McMullen had dealt with Russians for years.

"I've just got a feeling," McMullen said that night in Montreal, "that things are going to open up in the Soviet Union in the next few years. Let's use our last three draft choices *tomorrow to take three Russians.*"

With one of those choices, the Devils selected Vyacheslav Fetisov, then as now considered by many to be the world's best defenseman. And this weekend Fetisov, along with another Soviet defenseman, Sergei Starikov, and their wives were house-hunting in northern New Jersey after having signed three-year Devils contracts last month in Moscow.

"I didn't think it would take six years," McMullen was saying Friday with a laugh. "But we got it done."



Mike Derer/The Associated Press

Lou Lamoriello of the Devils flanked by Vyacheslav Fetisov, left, and Sergei Starikov.

With Fetisov and Starikov, the Devils should be a much better team, presumably a Stanley Cup playoff team.

Fetisov, 31, and Starikov, 30, likely will learn to cope with NHL muggers, who surely will test them.

Fetisov should provide the Devils with leadership and leverage throughout his three-year contract, if not beyond.

"I'm not concerned about adjusting," Fetisov said through an interpreter. "People are people. Hockey is hockey."

Originally, the Devils pursued only Fetisov, who is known as Slava. But several months ago the defenseman informed Lou Lamoriello, the Devils' president and general manager, of Starikov's interest.

During the recent NHL draft, the Devils obtained negotiation rights to Starikov.

"I went to Moscow twice, and counting the other times in Europe and here, I must've met with Slava a dozen times," Lamoriello said. "But there were no cloak-and-dagger negotiations."

"I went alone. I depended on Soviet interpreters. I showed them I trusted them. This was done intentionally, because of the magnitude of the players."

"Slava is a national hero over there," he continued. "Honestly and truly, I never had any indication that anybody was watching me. I went wherever I wanted to go. I never had an uneasy feeling there."

"Slava didn't want to defect; he didn't want to do anything wrong that would close the door for other Soviet players in the future," Lamoriello said. "He resigned as a major in the army, gave up his pension and left the team."

SCOREBOARD

BASEBALL

Major League Standings

(Through Saturday)

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Baltimore	48	36	.571	—
New York	43	42	.506	5½
Boston	40	42	.488	7
Milwaukee	41	45	.477	8
Toronto	41	45	.477	8
Cleveland	40	44	.476	8
Detroit	31	53	.369	17

West Division	W	L	Pct.	GB
California	51	33	.607	—
Oakland	51	36	.586	1½
Kansas City	48	37	.565	3½
Texas	47	38	.553	4½
Seattle	41	44	.482	10½
Minnesota	41	45	.477	11
Chicago	32	55	.368	20½

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Montreal	48	38	.558	—
Chicago	46	39	.541	1½
New York	44	39	.530	2½
St. Louis	43	39	.524	3
Pittsburgh	36	46	.439	10
Philadelphia	31	52	.373	15½

West Division	W	L	Pct.	GB
San Francisco	51	35	.593	—
Houston	49	37	.570	2
Cincinnati	44	42	.512	7
San Diego	41	46	.471	10½
Los Angeles	40	46	.465	11
Atlanta	36	50	.419	15

Saturday's Results

AMERICAN LEAGUE

New York 002 003 002—7 8 2
Boston 400 100 000—5 9 1
Elland, Plunk (5), Righetti (9) and Geren; Hetzel, Smithson (6), Price (7), Gardner (8) and Cerone. W—Plunk, 4-1. L—Smithson, 4-8. Sv—Righetti (16). HR—New York, Hall (7).

Minnesota 000 000 100—1 10 0
California 000 021 10x—4 6 1
R.Smith, Berenguer (6), Gonzalez (8) and Harper; Abbott, Minton (7), Harvey (9) and Parrish. W—Abbott, 8-5. L—R.Smith. Sv—Harvey (12). HR—California, Parrish (10).

Texas 000 010 102 1—5 14 1
Oakland 000 010 030 0—4 7 0
K.Brown, Hall (8), Russell (8) and Kreuter, Sundberg (9); Stewart, Burns (9), Mo.Young (9), Nelson (10) and Steinbach. W—Russell, 4-2. L—Mo.Young, 0-3. HRs—Texas, Buechele (7). Oakland, R.Henderson (6).

Toronto 010 001 204—8 8 2
Detroit 010 000 200—3 10 1
Cerutti, Wells (7), D.Ward (8) and Whitt; Alexander, Henneman (8), Havens (9) and Sinatro. W—Cerutti, 5-4. L—Alexander, 4-9. Sv—D.Ward (8). HRs—Toronto, Felix (7). Detroit, Lemon (3).

Chicago 020 000 010 00—3 13 1
Kansas City 200 000 001 01—4 9 1
Hibbard, Pall (7), Thigpen (8), J.Davis (11) and Fisk; Gubicza, Montgomery (9) and Boone, Macfarlane (8). W—Montgomery, 7-1. L—J.Davis, 0-1. HRs—Kansas City, Tartabull (10), B.Jackson (21).

Baltimore 000 003 020—5 9 1
Milwaukee 000 000 300—3 5 2
Holton, Williamson (7), Olson (9) and Melvin; Higuera, Crim (7), Fossas (8), Aldrich (8) and Surhoff. W—Holton, 3-5. L—Higuera, 3-3. Sv—Olson (14).

Cleveland 200 000 001 00—3 11 0
Seattle 000 000 102 01—4 8 1
Black, Orosco (9) and Allanson; Holman, Vint (9) and Valle. W—Swift, 5-2. L—Orosco. HRs—Cleveland, James (1). Seattle, Presley (6), Coles (4).

NATIONAL LEAGUE

Cincinnati 000 000 003—3 6 0
New York 100 011 02x—5 14 0
Browning, Tekulve (5), Charlton (6), Dibble (7), Birtsas (8) and Reed; Cone and Lombardi. W—Cone, 4-5. L—Browning, 7-7. HRs—Cincinnati, Davis (16), Harris (2). New York, Strawberry (17).

Montreal 200 000 000—2 4 0
Houston 001 001 10x—3 5 1
Smith, McGaffigan (7) and Fitzgerald; Deshaies, Darwin (6), Andersen (8), Smith (8) and Biggio. W—Darwin, 9-2. L—McGaffigan, 1-4. Sv—Smith (18). HRs—Montreal, Galarraga (14). Houston, Meadows (3).

Los Angeles 040 103 000—8 11 0
Chicago 000 000 101—2 12 0
Morgan, Belcher (7) and Scioscia; Pico, Schiraldi (6), Lancaster (8) and Berryhill. W—Morgan, 6-8. L—Pico, 2-1. HRs—Los Angeles, Murray (9). Chicago, McClendon (8).

San Diego 010 001 000—2 6 0
Pittsburgh 000 000 000—0 6 3
Whitson and Parent; J.Robinson, Kipper (6), Bair (9) and LaValliere. W—Whitson, 11-6. L—J.Robinson, 5-7. HR—San Diego, James (3).

Philadelphia 010 110 000—3 7 0
Atlanta 000 102 01x—4 7 1
K.Howell, McWilliams (6), Parrett (8) and Lake; Glavine, Acker (6), Assenmacher (8), Boever (9) and Benedict. W—Assenmacher, 1-2. L—Parrett, 4-3. Sv—Boever (15). HR—Philadelphia, Ready (3).

San Francisco 004 001 300—8 13 0
St. Louis 100 200 101—5 12 0
D.Robinson, Brantley (4), Lefferts (6), Bedrosian (8) and Kennedy; Power, DiPino (5), Quisenberry (7), Worrell (9) and T.Pena. W—Brantley, 4-0. L—Power, 1-3. HRs—San Francisco, D.Robinson (2), Mitchell 2 (31), W.Clark (14). St. Louis, Pendleton (6).

Friday's Results

AMERICAN LEAGUE

New York 210 001 000—4 10 x
Boston 400 002 00x—6 8 x
W—Clemens, 9-6. L—Cadaret, 1-1.

Toronto 010 000 050—6 7 x
Detroit 100 030 000—4 8 x
W—Cummings, 2-0. L—Hernandez, 2-2.

Chicago 000 020 000—2 8 x
Kansas City 011 002 00x—4 7 x
W—Leach, 2-2. L—Dotson, 2-6.

Texas 010 000 230—6 9 x
Oakland 000 001 020—3 4 x
W—Witt, 7-8. L—Davis, 7-4.

Minnesota 002 000 000—2 7 x
California 021 001 01x—5 8 x
W—Blyleven, 8-2. L—Viola, 7-9.

Cleveland 010 100 001 001—4 13 x
Seattle 001 020 000 000—3 11 x
W—Jones, 3-3. L—Jackson, 3-3.

Baltimore 000 004 000—4 4 x
Milwaukee 105 000 00x—6 9 x
W—August, 9-7. L—Hornisch, 0-2.

NATIONAL LEAGUE

Philadelphia 010 200 000—3 6 x
Atlanta 010 102 10x—5 9 x
W—Smoltz, 11-6. L—Cook, 3-2.

Cincinnati 000 001 000—1 3 x
New York 002 032 00x—7 7 x
W—Fernandez, 7-2. L—Scudder, 2-3.

Montreal 300 104 000 3—11 18 x
Houston 000 010 403 0—8 13 x
W—Hesketh, 5-2. L—Agosto, 2-4.

San Diego 000 000 000—0 3 x
Pittsburgh 010 000 11x—3 11 x
W—Drabek, 6-6. L—Hurst, 7-6.

San Francisco 000 000 000—0 8 x
St. Louis 101 310 00x—6 8 x
W—DiPino, 5-0. L—LaCoss, 3-6.

Los Angeles 100 200 010—4 9 x
Chicago 030 101 10x—6 11 x
W—Sutcliffe, 10-6. L—Wetteland, 2-2.

(Line scores for Friday's games are incomplete due to transmission failure. Runs and hits are noted but game errors were unavailable.)

League Statistics

(Through July 7)

AMERICAN LEAGUE

Team Batting

	AB	R	H	HR	RBI	Pct
Minnesota	2935	416	805	65	391	.274
Boston	2840	382	776	51	347	.273
New York	2862	361	776	67	336	.271
Chicago	2952	345	794	61	353	.269
Oakland	2808	364	773	60	337	.268
Seattle	2852	382	762	68	342	.267
Texas	2848	375	761	57	353	.267
Toronto	2944	390	772	71	368	.262
California	2812	350	732	74	322	.260
Baltimore	2813	391	730	72	345	.260
Kansas City	2861	357	739	47	339	.258
Milwaukee	2883	363	740	71	340	.257
Cleveland	2755	308	680	64	285	.247
Detroit	2770	321	680	64	287	.245

Individual Batting
(284 or more at bats)

	AB	R	H	HR	RBI	Pct
Puckett Min	334	40	112	5	44	.335
Franco Tex	309	42	103	10	61	.333
Sierra Tex	330	56	110	14	65	.333
Boggs Bsn	306	51	101	2	35	.330
Moreland Det	246	30	81	5	33	.329
Sax NY	343	48	113	3	34	.329
Lansford Oak	270	38	86	1	17	.319
Steinbach Oak	260	28	83	4	27	.319
ADavis Sea	233	38	74	7	46	.318
Kelly NY	211	35	67	5	25	.318
Baines Chi	281	42	89	11	46	.317
Mattingly NY	323	37	101	11	54	.313
Molitor Mil	314	45	98	7	27	.312
Gruber Tor	312	50	97	9	43	.311
Downing Cal	306	40	94	8	31	.307
Orsulak Blt	216	33	66	2	29	.306
Pimero Tex	324	50	99	5	47	.306
Reynolds Sea	309	45	93	0	27	.301
Greenwell Bsn	328	52	98	10	53	.299
Browne Cle	302	38	90	2	31	.298
Yount Mil	322	47	96	10	51	.298
Gallagher Chi	354	50	104	1	26	.294
PBradley Blt	286	49	84	6	35	.294
Polonia NY	255	39	75	2	27	.294
Gladden Min	263	47	77	4	30	.293
Boone KC	219	21	63	1	29	.288
Seitzer KC	313	39	90	3	33	.288
Eisenreich KC	251	35	72	3	26	.287
Joyner Cal	289	33	83	2	32	.287
Slaught NY	246	27	70	4	28	.285
GBell Tor	317	45	90	9	51	.284
Evans Bsn	281	44	79	10	50	.281
POBrien Cle	295	46	83	10	35	.281
Burks Bsn	236	42	66	7	32	.280
Felix Tor	236	38	66	6	36	.280
CRipken Blt	337	47	94	11	50	.279
Griffey Sea	266	42	74	13	36	.278
Calderon Chi	329	44	91	10	44	.277
McGriff Tor	300	56	83	20	51	.277
Tabler KC	231	22	64	0	25	.277
Presley Sea	214	24	59	5	27	.276
DParker Oak	302	35	83	12	50	.275
Phillips Oak	233	30	64	2	21	.275
Gaetti Min	328	45	89	15	56	.271
RHdsn Oak	291	58	79	5	28	.271
Brogss Mil	312	53	84	11	42	.269
Leonard Sea	305	42	82	15	57	.269
Lyons Chi	242	25	65	1	23	.269
Ray Cal	269	25	72	2	33	.268
BJackson KC	305	56	81	20	58	.266
Espnoza NY	237	23	63	0	18	.266
Reed Bsn	282	41	75	0	16	.266
Jacoby Cle	260	29	69	9	34	.265
Coles Sea	265	27	70	3	30	.264
Liriano Tor	261	32	69	2	28	.264
Whitaker Det	288	44	76	18	47	.264
Esasky Bsn	281	41	74	12	48	.263
Fernndz Tor	278	32	73	5	33	.263
Stillwell KC	263	28	69	3	26	.262
Tettleton Blt	276	55	72	20	51	.261
Trammell Det	222	27	58	2	22	.261
DWhite Cal	335	49	87	9	38	.260
Gallego Oak	212	29	55	3	22	.259
Bockman Min	207	25	53	1	22	.256
FWhite KC	219	19	56	0	20	.256
Sheffield Mil	298	31	76	4	29	.255
Javier Oak	232	27	59	1	20	.254
Gagne Min	253	43	64	4	26	.253
Trtabll KC	225	27	57	9	31	.253
Fermin Cle	259	30	65	0	12	.251
Gantner Mil	272	28	68	0	24	.250
CDavis Cal	278	39	69	11	40	.248
Fletcher Tex	282	44	70	0	21	.248
Newman Min	206	32	51	0	19	.248
Carter Cle	337	37	83	13	52	.246
Surhoff Mil	252	18	62	4	35	.246
Espy Tex	273	44	67	3	18	.245
DHdsn Oak	315	41	77	7	42	.244
BRipken Blt	210	23	51	2	22	.243
McGwire Oak	251	37	61	16	55	.243
Parrish Cal	239	29	58	9	30	.243
Buechele Tex	274	36	66	6	32	.241
Larkin Min	230	32	55	2	25	.239
Snyder Cle	303	34	72	11	38	.238
Wthgtn Blt	253	26	60	5	37	.237
Guillen Chi	356	34	84	0	24	.236
Howell Cal	226	27	53	10	26	.235
Vizquel Sea	205	27	48	0	12	.234
Lemon Det	227	25	53	2	24	.233
Barfield NY	268	41	62	12	35	.231
Deer Mil	309	52	70	21	46	.227
OMcDwll Cle	239	33	53	3	22	.222
Incvglia Tex	228	30	49	6	34	.215
BAnderson Blt	226	38	48	4	15	.212
Moseby Tor	246	36	47	6	20	.191

Team Pitching

	ERA	H	ER	BB	SO	ShO	SA
California	2.92	694	241	227	417	11	19
Oakland	3.27	670	279	299	480	10	32
Kansas City	3.45	725	290	223	492	6	19
Cleveland	3.55	722	291	227	387	4	24
Baltimore	3.67	774	320	209	337	4	26
Texas	3.88	655	320	254	573	5	22
Toronto	3.93	750	335	288	417	5	14
Milwaukee	4.09	822	342	243	440	6	27
Seattle	4.19	758	346	305	458	3	26
Boston	4.30	752	351	282	504	5	22
Minnesota	4.36	791	363	259	413	5	17
New York	4.46	821	369	259	388	5	28
Detroit	4.49	763	361	326	399	3	15
Chicago	4.93	823	415	312	400	2	23

Individual Pitching
(4 or more decisions)

	IP	H	BB	SO	W	L	ERA
DJones Cle	41	38	5	26	3	3	1.55
Montgmry KC	52	38	15	56	6	1	1.56
Russell Tex	36	21	8	37	3	2	1.77
Plunk NY	37	21	17	32	3	1	1.93
Burns Oak	60	36	11	32	4	2	1.94
Blyleven Cal	126	115	20	66	8	2	2.15
Moore Oak	130	92	49	96	11	5	2.22
CFinley Cal	125	109	40	92	10	6	2.24
Murphy Bsn	54	50	21	52	1	3	2.32
Plesac Mil	38	31	11	36	2	3	2.35
Hickey Blt	30	27	9	19	2	2	2.43
Gubicza KC	153	146	33	98	8	6	2.47
Righetti NY	40	43	13	31	2	2	2.47
CParker NY	47	48	11	29	3	1	2.49
Sabrhgn KC	121	101	21	88	8	4	2.60
Cerutti Tor	111	115	30	32	4	4	2.68
Swindell Cle	134	122	31	91	11	2	2.75
FWilliams Det	56	48	37	27	3	3	2.75
JeReed Sea	62	52	25	38	3	5	2.77
McCaskill Cal	112	106	32	55	9	5	2.81
Tibbs Blt	54	62	20	30	5	0	2.82
Bosio Mil	130	126	24	95	8	5	2.84
Willamsn Blt	62	53	10	28	5	2	2.89
Ryan Tex	127	82	47	148	10	4	2.91
Bankhead Sea	110	91	29	69	7	4	2.95
KBrown Tex	117	88	42	60	7	5	3.00
Welch Oak	101	88	44	62	9	4	3.02
DWard Tor	68	50	28	74	4	7	3.04
Clemens Bsn	139	117	48	125	9	6	3.06
Bailes Cle	64	59	17	24	4	3	3.08
TGordon KC	63	36	39	74	9	2	3.13
Nelson Oak	43	33	18	33	2	3	3.14
Jeffcoat Tex	42	44	13	22	4	2	3.21
RJohnson Sea	42	36	22	30	3	1	3.21
Wells Tor	56	46	17	53	2	4	3.23
Fraser Cal	41	41	10	17	2	4	3.27
Ballard Blt	99	114	27	24	10	4	3.28
Stewart Oak	131	132	37	67	13	4	3.30
Thurmond Blt	51	52	9	18	2	2	3.33
Crim Mil	59	61	16	29	7	5	3.34
Henke Tor	38	28	19	40	6	3	3.35
Black Cle	113	111	25	39	7	7	3.36
Aquino KC	67	63	17	37	3	4	3.36
Wayne Min	48	35	26	30	3	1	3.38
Langston Sea	73	59	19	60	4	5	3.44
Henneman Det	44	37	24	32	5	2	3.45
Tanana Det	129	120	41	81	7	8	3.56
Viola Min	148	147	35	116	7	9	3.60
Guante Tex	45	43	26	47	4	3	3.60
Key Tor	136	134	15	65	7	8	3.65
Flanagan Tor	96	99	26	29	4	6	3.66
Higuera Mil	64	55	27	45	3	2	3.68
Berenguer Min	61	54	28	50	4	3	3.71
Abbott Cal	87	81	35	51	7	5	3.71
Alexandr Det	124	123	38	47	4	8	3.71
AAnderson Min	114	117	31	37	9	6	3.72
Hanson Sea	60	55	23	48	4	4	3.75
Candiotti Cle	104	103	35	64	7	6	3.80
Holton Blt	69	83	18	25	2	5	3.89
Leibrndt KC	124	131	36	50	5	8	3.92
Gonzalez Min	16	17	8	15	3	2	3.94
TLeach KC	27	26	11	10	2	2	3.95
King Chi	83	71	47	44	4	8	4.08
Dopson Bsn	100	98	39	60	8	5	4.04
MJackson Sea	56	53	29	51	3	3	4.18
MWitt Cal	118	130	26	47	6	7	4.21
Holman Sea	43	46	21	16	2	2	4.22
Clutterbck Mil	67	73	14	29	2	5	4.26
Milacki Blt	117	119	45	54	5	8	4.30
Stieb Tor	100	93	42	44	7	5	4.31
Krueger Mil	48	59	20	32	3	2	4.34
RSmith Min	85	96	23	35	4	3	4.36
Knudson Mil	56	62	16	23	2	3	4.37
Moyer Tex	53	53	26	37	3	5	4.39
August Mil	106	129	35	39	9	7	4.42
Rawley Min	96	106	35	39	4	7	4.42
Reardon Min	38	36	5	23	2	2	4.46
Candlaria NY	40	38	8	32	3	2	4.46
Farrell Cle	102	98	38	51	4	9	4.49
Oliveras Min	56	64	15	24	2	4	4.53
Rosenberg Chi	73	73	38	41	2	5	4.54
Powell Sea	39	41	18	26	2	2	4.58
Bannister KC	75	87	18	35	4	1	4.66
Hawkins NY	117	135	43	43	10	8	4.68
Price Bsn	38	39	15	15	1	4	4.70
Hough Tex	101	100	50	54	5	9	4.71
Schmidt Blt	104	115	20	33	8	7	4.76
Patterson Chi	45	45	24	26	3	1	4.80
Stottlmyr Tor	38	48	19	22	1	4	4.93
Morris Det	62	74	24	48	2	7	4.94
Smithson Bsn	87	100	25	46	4	7	4.97
Gibson Det	75	77	48	43	2	4	5.02
BStanley Bsn	52	65	18	19	2	2	5.02
LSmith Bsn	30	29	15	37	4	1	5.04
Yett Cle	68	73	32	30	4	6	5.14
Schwabe Det	42	48	16	12	2	3	5.18
Boddicker Bsn	106	117	38	70	6	7	5.25
Dotson Chi	63	80	27	22	2	6	5.29
McCullers NY	46	47	22	44	3	3	5.32
Bautista Blt	71	75	14	25	3	4	5.35
Long Chi	54	63	17	24	3	5	5.37
SDavis Oak	72	86	36	43	7	4	5.37
Birkbeck Mil	45	57	22	31	0	4	5.44
Hillegas Chi	79	90	37	44	4	8	5.47
LaPoint NY	95	120	38	40	6	6	5.48
CYoung Oak	62	76	29	32	2	8	5.49
Reuss Chi	88	114	20	22	7	5	5.54
BWitt Tex	101	107	59	75	7	8	5.68
John NY	64	87	22	18	2	7	5.80
Perez Chi	92	106	46	66	5	10	5.89
Hudson Det	47	51	18	14	0	4	5.94
Swift Sea	67	89	26	26	4	2	6.18
Gardner Bsn	42	47	29	40	2	4	6.21
Dunne Sea	27	38	16	10	1	3	6.41
Trout Sea	30	43	17	17	4	3	6.60
Wegman Mil	51	68	21	27	2	6	6.71
Toliver Min	29	39	15	11	1	3	7.76
Appler KC	22	34	12	10	1	4	9.14

(Tomorrow: National League statistics)

CYCLING

Tour de France

SEVENTH STAGE
(Poitiers to Bordeaux; 258.5-kilometers/160.5-miles)

1. Etienne De Wilde, Belgium, Histor, 7 hours, 21 minutes, 57 seconds.
2. Jean-Claude Colotti, France, RMO, same time.
3. Patrick Tolhoek, Belgium, Superconfex, 2 seconds behind.
4. Steve Bauer, Canada, Helvetia-La Suisse, 2.
5. Jean-Paul Van Poppel, Netherlands, Panasonic, 4.

EIGHTH STAGE
(La Bastide d'Armagnac to Pau; 157-kilometers/97-miles)

1. Martin Earley, Ireland, PDM, 3 hours, 51 minutes, 26 seconds.
2. Eric Caritoux, France, RMO, 4 seconds behind.
3. Michael Wilson, Australia, Helvetia-La Suisse, 4.
4. Philippe Louviot, France, Z-Peugeot, 6.
5. Laurent Bezault, France, Toshiba, 6.

OVERALL STANDINGS

1. Greg LeMond, U.S., ADR, 37:11:25.
2. Laurent Fignon, France, Super U, 5 seconds behind.
3. Thierry Marie, France, Super U, 40.
4. Eric Breukink, Netherlands, Panasonic, 1:51.
5. Sean Yates, Britain, 7-Eleven, 2:18.
6. Pascal Simon, France, Super U, 2:39.
7. Acacio Da Silva, Portugal, Carrera, 3:02.
8. Jesper Skibby, Denmark, TVM, 3:24.
9. Bauer, Canada, 3:45.
10. Charly Mottet, France, RMO, 4:09.

TENNIS

Wimbledon

MEN
Semifinals

Boris Becker (3), West Germany, def. Ivan Lendl (1), Czechoslovakia, 7-5, 6-7 (2-7), 2-6, 6-4, 6-3.

Final

Becker def. Stefan Edberg (2), Sweden, 6-0, 7-6 (7-1), 6-4.

Doubles Semifinals

John Fitzgerald, Australia, and Anders Jarryd, (3), Sweden, def. Ken Flach and Robert Seguso, (2), U.S., 4-6, 6-2, 6-2, 6-3.

Doubles Final

Fitzgerald and Jarryd def. Rick Leach and Jim Pugh (1), U.S., 3-6, 7-6 (7-4), 6-4, 7-6 (7-4).

WOMEN
Final

Steffi Graf (1), West Germany, def. Martina Navratilova (2), U.S., 6-2, 6-7 (1-7), 6-1.

Doubles Final

Novotna and Helena Sukova (3), Czechoslovakia, def. Larisa Savchenko and Natalia Zvereva (2), Soviet Union, 6-1, 6-2.

Mixed Doubles Quarterfinals

Mark Kratzman and Jenny Byrne, Australia (14), def. Neil Broad, South Africa, and Terry Phelps, U.S., 3-6, 7-5, 13-11; Seguso and Lori McNeil (4), U.S., def. Royce Deppe and Dinky van Rensburg, South Africa, 6-2, 6-4; Leach and Betsy Nagelsen (3), U.S., def. Darren Cahill and Nicole Provis, Australia, walkover.

Mixed Doubles Semifinals

Pugh and Novotna def. Seguso and McNeil, 6-1, 5-7, 6-4; Kratzmann and Byrne def. Leach and Nagelsen, 6-4, 7-6 (7-2).

AUTO RACING

French Grand Prix

1. Alain Prost, France, McLaren-Honda, 1 hour, 38 minutes, 29.411 seconds.
2. Nigel Mansell, Britain, Ferrari, 44.017 seconds behind.
3. Riccardo Patrese, Italy, Williams-Renault, 1:06.921 behind.
4. Jean Alesi, France, Tyrrell-Ford, 1:11.232.
5. Stefan Johansson, Sweden, Onyx-Ford, 1 lap behind.
6. Olivier Grouillard, France, Ligier-Ford, 1 lap.
7. Eddie Cheever, United States, Arrows-Ford, 1.
8. Nelson Piquet, Brazil, Lotus-Judd, 2.
9. Emmanuel Pirro, Italy, Benetton-Ford, 2.
10. Jonathan Palmer, Britain, Tyrrell-Ford, 2.

SOCCER

AMERICA CUP

Paraguay 3, Venezuela 0
Brazil 0, Colombia 0
Chile 5, Bolivia 0
Argentina 1, Uruguay 0

WORLD CUP QUALIFYING

North Korea 2, Indonesia 1

RUGBY

British Isles 19, Australia 12

First half: Try by Australian fullback Greg Martin, converted by flyhalf Michael Lynagh. Penalty goal by Lions fullback Gavin Hastings. Penalty goal by Lynagh. Dropped goal by Lions flyhalf Rob Andrew.

Second half: Penalty goal by Lynagh. Penalty goal by Andrew. Try by Hastings. Try by center Jeremy Guscott, converted by Andrew.

CRICKET

ENGLAND vs. AUSTRALIA
(in Birmingham, England, Day 2, Saturday)
1st Innings: Australia 391-7.

SIDELINES

Knicks Confirm Selection of Coach

NEW YORK (NYT) — A New York Knick official has confirmed that Stu Jackson, an assistant under former coach Rick Pitino, would be named the National Basketball Association team's 14th head coach. The official announcement, which would make Jackson at age 32 the youngest head coach in the NBA, is expected early next week.

The same source, who asked not to be identified, said Friday that Paul *Silas and Ernie Grunfeld would be Jackson's assistants.*

● A group of black investors led by Bertram M. Lee, a businessman, is seeking to buy the Denver Nuggets in a move that would make the NBA team the first major league sports franchise to be owned by a racial minority. *(AP)*

Soviets Win 2 World Fencing Golds

DENVER (AP) — Grigory Kirienko of the Soviet Union reeled off three consecutive touches, the last a head cut after a parry, to defeat Jaroslaw Koniusz of Poland, 10-7, to win the gold medal in sabre here Saturday night at the World Fencing Championships.

Koniusz claimed the silver medal and Felix Becker of West Germany won the bronze medal. It was the second gold medal to go to the Soviet Union in the championships, as Olga Velitchko upset Anja Fichtel, a West German, to win the women's gold medal in foil on Thursday.

The new electric sabre was used for the first time in these championships, allowing the final to conclude in two and a half hours. Previously, the touches were called by a director and four judges, and sabre competitors often argued after each touche, causing lengthy delays.

Lions' Rally Beats Australia in Rugby

BRISBANE, Australia — In the second rugby union test of their tour, the British Isles beat Australia on Saturday, 19-12, rebounding from a 30-12 drubbing in the first test July 1. The Wallabies were overpowered Saturday by Lions forwards, whose team now is looking to win the final test, and therefore the series, next Saturday in Sydney.

Australia had a 9-6 lead at halftime and was still ahead, 12-9, five minutes from the end, but the Lions then ran in two tries. The five Lions who missed the first test — forwards Mike Teague and Wade Dooley and backs Rob Andrew, Scott Hastings and Jeremy Guscott — were central figures in the first Lions victory since 1980. *(See Scoreboard)*

For the Record

John Mugabi of Uganda won the World Boxing Council super-welterweight title on Saturday when Rene Jacquot of France, the defending champion, twisted his ankle in the first round and could not continue the scheduled 12 rounds in Cergy-Pontoise, France. *(AP)*

Mike Conley of the United States leaped 57 feet, 6½ inches (17.52 meters) to set the best triple jump performance of the season at a jumpers' meet Sunday in Bad Cannstatt, West Germany. *(AP)*

Tim Ryan, 18, became the youngest U.S. men's gymnastics all-around champion in 14 years on Saturday when his six strong optional routines edged Lance Ringnald, a member of the 1988 Olympic team, at the U.S. Gymnastics Championships in Bloomington, Minnesota. *(AP)*

At the World Archery Championships, South Korea, which won the 1988 Olympic gold medal, swept to an easy victory in the women's team finals Saturday in Lausanne, Switzerland. *(AP)*

Itai Illouz of Israel won the 100-meter dash at the 13th Maccabiah Games in 10:57 seconds, a record for the games, Saturday in Hadar Yosef, Israel. *(AP)*

Masashi Ozaki of Japan shot a six-under-par 66 in the final round to win the Yonex Open Hiroshima Golf Tournament on Sunday in Higashi Hiroshima, Japan. *(AP)*

Quotable

● Mike Morgan of the Los Angeles Dodgers, on pitching for the Oakland Athletics right out of high school: "I had nothing to lose, everything to gain. I gained a lot of losses." *(LAT)*

Ray Bradbury: Isn't That Interesting?

By Jeffrey A. Frank
Washington Post Service

NEW YORK — The red-faced man at the door does not look like someone who ever managed the remarkable feat of time travel. He is, if truth be told, a bit pudgy. He wears tennis shorts, white socks and sneakers, and there is nothing about him that betrays a careful knowledge of long-ago Illinois summers or post-atomic landscapes or golden-eyed Martians who may lie in wait for innocent Earthlings.

Yet consider the evidence: Almost no one can imagine a time or place without the fiction of Ray Bradbury. It's as if he's always been with us, his books always fresh on the shelves. Isn't that interesting? as Ray Bradbury would say.

The white-haired man, whose stories and novels are part of the American language, talks with question marks. He is pleased to be reminded that, since the publication of "The Martian Chronicles" nearly 40 years ago, generations of young readers have been seduced by his language and imagination. These readers may feel vaguely disloyal when they go on to something else, but even the unfaithful never forget. For them, the very titles — "The Illustrated Man," "Fahrenheit 451," "Dandelion Wine," "October Country," "Something Wicked This Way Comes" — are remembered with something like love.

Bradbury has come to New York by jet plane, which would not be news were it not that Bradbury successfully resisted flying for the first 62 of his 68 years. "I discovered," he says, "what a lot of people have discovered. I wasn't afraid of flying. I was afraid of me running up and down the aisles screaming, embarrassing people. Wouldn't that be awful?"

But if Bradbury has surrendered to flying machines, he still doesn't use a computer. And he may be the only Los Angeles resident who never learned to drive a car, a fact he traces to scenes he says he witnessed during a California childhood.

"I saw five people killed right in front of me, decapitated, that sort of thing," he tells you. "So I don't think you ever get over that — it's like being in a war, isn't it, eh? And then I saw, going to Palm Springs three years ago, the car ahead of me was pulverized by a truck that came over the divider. They never found the bodies. There were no bodies to find. Interesting, eh? Isn't that interesting? They were completely pulverized. And you see one or two things like that, you say, 'Nah, I'll stay in the back seat and cower a lot.' "

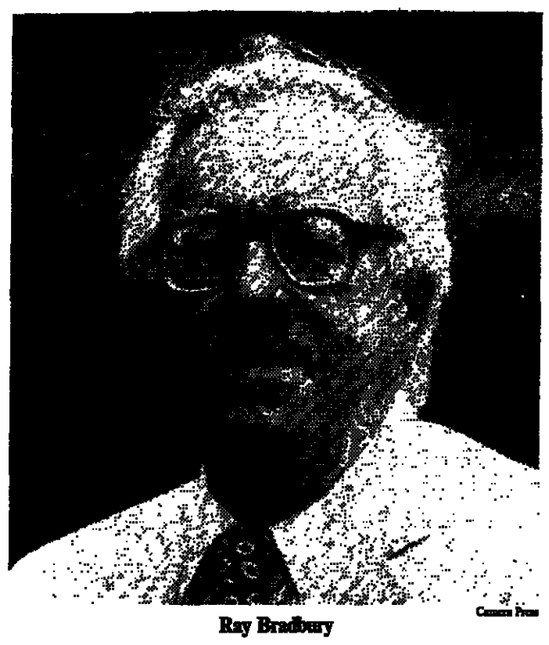
A moment later, he becomes almost militant, asking, "Where are the parades, where are the marchers for the 100,000 people killed in the last two years in cars? Why aren't there demonstrations?"

No one has ever suggested that time travelers must be fearless.

Ray Bradbury's costume is completed by a grotesque shirt striped green and purple and a blue jacket carrying the legend "Hotel Del Coronado." He does not, all in all, look like the person science fiction writer-editor Damon Knight called "the poet of 20th-century neurosis. . .the isolated spark of consciousness, awake and alone at midnight. . .the grown-up child who still remembers, still believes."

Nearly 40 years ago, Bradbury was singled out by Christopher Isherwood and Angus Wilson, among others, as one of the most distinctive voices in postwar American fiction. But, as if by unspoken agreement, he has since been consigned to the science-fiction/fantasy genre — and even there, his work is suspect. Where, ask sci-fi purists, are the prophetic fables of an Arthur C. Clarke, the technical brilliance of an Isaac Asimov, the wizardly pace of a Robert Heinlein?

"I don't exist," Bradbury says. "The New York Review has never acknowledged that I was born. I never had a review there. The New Yorker did one review, 35 years ago. The American Scholar, the magazines that I like the most, have never acknowledged me — I had one review in the Atlantic 30 years ago, nothing in Harper's that I recall, the Saturday Review two reviews. They don't know where my handle is, they don't know how to pick me up. And I don't, either — I love so many things."



Ray Bradbury

This is not said with bitterness. Ray Bradbury has long ago come to terms with this sort of thing, and he supposes that what sets him most apart from the others who write science fiction and fantasy is the richness of his prose and the variety of his subjects.

"I met Aldous Huxley 35 or 36 years ago," he says by way of preamble. "Had tea with him one afternoon. I was introduced to him by Christopher Isherwood. It was a wonderful event in my life because I'd admired Huxley so many years. And Mr. Huxley looked at me and said, 'You know what you are?' And I said, 'What am I?' And he said, 'You're a poet.'

"And I hadn't realized, it was just a natural part of my style to deal in fascinating metaphors. And I think that attracts a lot of people and it makes it easier for them to remember my stories."

From "The Illustrated Man": "Her hands touched each other like thin, rusted instruments. Her feet were naked and obscene as rain rubbers, and near them sat vials of tattoo milk-red, lightning-blue, brown, cat-yellow."

And from "The Small Assassin," one of his most anthologized — and imitated stories: "The baby rested in the crook of his mother's arm, shadows of sun and tree changing his face. His blue eyes opened like fresh blue spring flowers. Moist noises came from the tiny, pink, elastic mouth."

Ray Douglas Bradbury was born in August 1920, in Waukegan, Illinois, and set out to be a writer at age 12. His father, who worked for the power and light company, became a victim of the Depression, and had been out of work for years when the Bradburys packed up and moved to Los Angeles.

Ray was 13, and it was love at first encounter. He hung around the movie studios, collected comic strips, science fiction magazines, radio scripts, and in high school had a brief correspondence with Edgar Rice Burroughs.

After high school, working as a newsboy and unable to pay for college, Bradbury set out to educate himself at the public library. "You just run amok in the library," he says now, "and whatever you pick up, you pick up. You fall in love with Charlie Dickens, you fall in love with Evelyn Waugh and with John Collier, and you just go with them." He sold his first story to a pulp magazine at age 21 and by the mid-'40s was writing radio scripts for programs like "Suspense" and "Escape." In 1947, he published "Dark Carnival," his first book of short stories.

Three years later came "The Martian Chronicles."

It sold a few thousand, but went into multiple printings. And when the first paperback appeared in 1951, it sold 90,000 copies, hypnotizing the first wave of a generation to whom the future seemed as dangerous as an H-bomb and as hopeful as the Salk vaccine. Since then, about four million "Chronicles" have been bought.

The older reader returns to "The Martian Chronicles" and finds a new kind of melancholy in the story "Ylla," admiring the sinister indirection with which Bradbury recalls the murder of the first Earth expedition to the fourth planet, and regards "The Third Expedition" anew as perhaps the ultimate tale of fatal nostalgia. In particular, the returning reader is struck by the imagery of Hiroshima and the Cold War and the Red Scare and other events that suggest even Bradbury could not slip free from the currents of his time.

Ray Bradbury, surrounded by the clutter of a hotel room, ready to head off for a few weeks in France and immersed in French history ("I've got six books on Lafayette alone and his influence on our revolution"), feels he is on the brink of several careers.

Urban designer, for one. In the early 1970s, he published an article in the Los Angeles Times calling for what was then a new kind of shopping mall. It would have things like "a hardware store that would stay open so a pregnant male would waken at 1 A.M. and get this impulse to buy something he doesn't need, eh?"

"I've blundered into things without knowing," he says, "and that's the best kind of love, isn't it, to suddenly discover that you're so exciting you don't know what you're doing. I've got whole new careers up ahead as an idea creator, huh?"

LANGUAGE

Reinventing the Winkle-Picker

By William Safire

WASHINGTON — In his morning briefing, Marlin Fitzwater, the president's press secretary, was working his way through the intricacies of arms-reduction negotiations. The White House press corps was riddling his presentation with questions. Finally, the mildly exasperated Fitzwater said to the assembled reporters, "As the lady who sat beside me at the luncheon with the queen in Buckingham Palace says, 'We can't *winkle-picker* this anymore.' "

As the briefing transcript shows, that triggered a burst of questioning from the press.

Q: We can't what? What?! Huh?!

MR. FITZWATER: How about that!

Q: You're going to have to spell that.

Q: Is that hyphenated, Marlin?

MR. FITZWATER: It's all one word, thank you, and the *winkle* is capitalized.

(The press secretary was being jocular, but is in error; on the analogy of *nit-picker*, the compound is hyphenated and not capitalized. Also, the verb form is properly *winkle-pick;* the noun is *winkle-picker.*)

Asked for a definition of *winkle-picker*, Fitzwater helpfully provided a second usage in the nominative, quoting his British dinner partner as also having said, "Those press can be such a bunch of *winkle-pickers*, can't they?" He said he agreed completely, whatever the word meant.

Maureen Dowd of The New York Times, alert to the need for vocabulary enrichment at the highest levels, followed up afterward. Fitzwater recollected that his luncheon companion at the palace explained to him at the time that a winkle was a very small shellfish that required the use of a tiny fork to pick out the meat. By metaphoric extension, a questioner who tries with piddling little questions to extract the last shred of informational nourishment from a subject was a *winkle-picker.*

Further research shows *winkle* to be a shortening of *periwinkle,* which most of us think of as a flower or a light purplish color. However, the shortened word is also used for any of various marine snails with a conical shell; these long, thin mollusks or whelks of the genus Busycon prey on oysters and clams by drilling a hole in their shells and grasping the succulent flesh, much as journalists do to clammed-up sources. The root of *winkle* is the Old High German *winkil,* "corner," which would be the sharp point of the attacking snail's shell.

As a verb, drawing on the shellfish trope, *to winkle out* began as British military lingo, first cited in 1925 with the meanings of "to capture individual prisoners by stealth" and "to steal."

The lexicographer Eric Partridge defined a *winkle-pin* as a bayonet. By 1958, the British critic John Press had adapted the phrase for a literary argument: "It is illegitimate to compare the farfetched conjectures of Eliot's commentators with the inside information we might have winkled out of Donne."

The image of a long, thin, pointed object — a winkle-pin served with shellfish, or a slim fork — was taken up in the British fashion industry to describe shoes. The Oxford English Dictionary Supplement defines *winkle-picker* as "*slang,* a shoe with a long pointed toe," citing a 1960 Spectator: "The incredibly pointed custom-built shoes in which teen-agers keep other teen-agers at arm's length. . . .The shoes, called winkle-pickers" — not hyphenated, Fitzwater will be pleased to note — "look like something out of Grimm's fairy tales."

A *winkler,* true to the original notion of prying out with difficulty, is also a British term for "one who helps to evict tenants."

□

"Reinventing the CEO" is the name of a survey of 1,500 executives from around the world conducted by Korn/Ferry International, the executive search firm, and the Columbia University Graduate School of Business.

There's an old word that fought off the drag of a denigrating cliché to come into its own in our time. *Reinvent,* based on the Latin *invenire,* "to come upon," was coined in 1686 when Robert Plot wrote in his natural history of Staffordshire about "This not being the first time, that the same thing has been reinvented."

From the context of the coinage, such reinvention was apparently suspect; the word's meaning had a slightly phony or larcenous ring. Then somebody — we don't know who, because it's not in the cliché dictionaries — lumbered (British colloquial usage) or saddled (American colloquial usage) or burdened (standard English) the verb with the dramatically foolish notion of *reinventing the wheel.* As defined in Robert L. Chapman's New Dictionary of American Slang, the familiar verb phrase means "to go laboriously and unnecessarily through elementary stages in some process or enterprise; waste time on tediously obvious fundamentals."

In the 1985 book on management by John Naisbitt and Patricia Aburdene, the word threw off its pejorative connotation. "Re-inventing the Corporation" (which unnecessarily added a hyphen in *reinventing* treated the verb as meaning "to take a fresh look at methods that have hardened into conventions; to thoroughly reorganize."

Merriam-Webster's Ninth New Collegiate treats the original meaning in the earliest sense listed, "to make as if for the first time something already invented," and offers two more recent senses: "2: to remake or redo completely (radicals who want to reinvent America) 3: to bring into use again: reestablish."

That's how meanings change; soon we will forget the sneer in the first meaning of *reinvent* (maybe the wheel needed reinventing after all) and use the verb as a synonym for super-perestroika. Punctuation styles change, too: Look at that modern, punctuating slash between *Korn* and *Ferry.* (I call the search firm "Korn virgule Ferry," but I also call the department store "Lord ampersand Taylor.")

Fiddling with the voguish virgule reminds me: What do we call the symbol on our word processors that is a virgule that tilts the other way, the sloping line that warns the monster within the hard disk that a directory is being sought? No, it's not a *promiscuite,* on the analogy of *virgule;* it is a *backslash,* a coinage based on *slash.*

But where can this term, used for the past few years in increasing frequency by writers, be found in our dictionaries? In vain, you search amid *backside, backstop, backslide* and *backspin* — nope, no *backslash.* Every year we have to reinvent the dictionary.

New York Times Service

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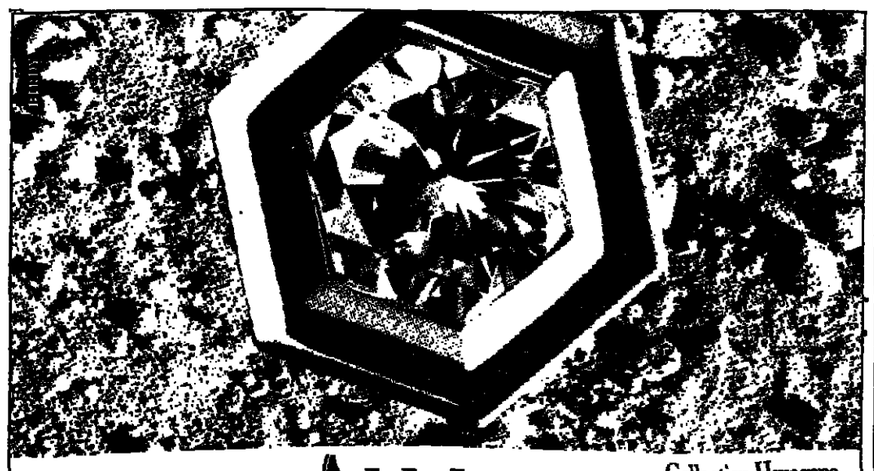

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